

! Kheis
Munisipaliteit
Municipality

DRAFT

ANNUAL REPORT

2018/2019

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THIS REPORT INCLUDE THE FOLLOWING APPENDIXES;

Appendix This report include the following appendixes;

- Appendix A: Councilors: Committee Allocation and Council Attendance
- Appendix B: Committee and Committee Purpose
- Appendix C: Fourth year Administration structure
- Appendix D: Function of Municipality / Entity
- Appendix E: Ward Reporting
- Appendix F: Ward Information
- Appendix G: Recommendations of the Municipal Audit Committee
- Appendix H: Long term contracts and Public Private Partnership
- Appendix I: Municipal Service Provider Performance Schedule
- Appendix J: Disclosure of Financial Interest
- Appendix K: Revenue Collection Performance by Vote and by Source
- Appendix L: Conditional Grants Received: Excluding MIG
- Appendix M: Capital Expenditure – New & Upgrade / Renewal programs
- Appendix N: Capital program by project current year
- Appendix O: Capital program by project by ward: current year
- Appendix P: Capital Connection Backlogs at Schools and Clinics
- Appendix Q: Service Backlogs experience by the community where another Sphere of Government is responsible for service provision
- Appendix R: Declaration of Loans and Grants made by the Municipality
- Appendix S: Declaration of Returns not made in due time under MFMA71
- Appendix T: National and Provincial outcome for local government

1. INTRODUCTION

ABOUT THE 2018/19 ANNUAL REPORT

This report offers an overview of the operations, financial, non-financial activities and the performance of !Kheis Municipality for the 2018/19 financial year. The annual report is prepared in terms of Section 127(3) and the process has been trailed as per section 127 (3) (a-c) stipulated in the Municipal Finance Management Act (MFMA).

The Annual Report comprises of six chapters with the following broad overview:

- | | |
|------------|--|
| Chapter 1: | An overview of the Municipality's social and demographic profile and key highlights regarding finance, performance and service delivery. |
| Chapter 2: | Details about the governmental workings of the Municipality addressing the key aspects of good governance. |
| Chapter 3: | Highlights the Municipality's performance for the year, focusing on the service delivery and the Pre-determined objectives of the Council. |
| Chapter 4: | Provides insight into the Human Resources and organisational management areas of the Municipality, focusing on organisational structure and legislation. |
| Chapter 5: | An overview of the Municipality's financial performance, reflecting on the Municipality's financial position, assets, cash flow and intergovernmental grants received by the Municipality. |
| Chapter 6: | An overview of the audit key findings per the Auditor-General Volume II:

Annual Financial Statements |

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COMPONENT A: FOREWORD BY THE MAYOR



I am honoured to present the Annual Report of !Kheis Municipality for the period 1 July 2018 to June 2019. The report is a true account and report to the community of greater !Kheis municipality, statutory interest groups and other strategic stakeholders on the activities of the municipality for the period under review. The report is a process of uncovering the successes, challenges and our collective failure to deliver services as outline in our Integrated Development Plan (IDP), budget and Service Delivery Implementation Plan (SDBIP) for the same period.

We present the Report to the community and our strategic stakeholders on the occasion marking the month of the release of our founding President, Nelson Rolihlahla Mandela thirty years ago and more than twenty-five (25) years into democracy.

The report to large extent presents service delivery successes, and the challenges that we had to overcome both in term of financial and human resources to ensure that we deliver services to communities according to the Constitutional injunction and priorities identified by the community during the IDP consultative process.

We faced serious capacity challenges at senior management level during the year under review, to the extent that we had to request the Member of the Executive Council (MEC) responsible for Cooperative Governance, Human Settlement and Traditional Affairs to second an acting municipal manager to the municipality. We want to thank the MEC who obliged and Mr. Floyd Leeuw was seconded to the municipality on 1 November 2018 midway through the financial year. This secondment improved our ability as Council to provide oversight and deepened our understanding of the Constitutional obligations placed on us as councilors as well as the executive authority vested in Council in terms of Section 7 of the Municipal Structures Act. The net effect is that all Resolutions taken in Council were unanimous.

Council and its subcommittees ensured that management is accountable in making sure that the commitment made to the public with respect to the priorities are taken into account through the following commitment;

- Build local economies to create more employment and sustainable livelihoods;
- Improve local public services and broaden access to them;
- Build united, non-racial and integrated safer communities;
- Promote community participation in local government; and
- Build a more effective, accountable and clean local government that works closely with provincial and national government.

One of the first things that the Acting Municipal Manager who was seconded brought to the attention of Council was the overblown structure at senior management level given the size of the municipality. The municipality had six directorates excluding the Office of the Municipal Manager. The incumbents in three of these directorates were acting for more than three months and were not adequately qualified as required by the Regulations for the Appointment of Senior Managers. Council had to act to rectify the situation and therefore rescinded some of the Resolutions in the best interest of the municipality and reduce the directorates to four.

Late in the year Council appointed an Audit Committee (AC) comprising of capable individuals in the community and led by a Chartered Accountant with extensive knowledge of the municipal environment. The appointment has improved our oversight responsibility and the ability to monitor the implementation of our objectives with regard to our performance areas applicable to local government namely;

- Basic service delivery and infrastructure development
- Municipal transformation and development
- Local Economic Development
- Municipal financial viability and management
- Good Governance and Public Participation

The provision of portable and clean water free of water-borne diseases is our number one priority in the municipality and one of the first things the Acting Municipal Manager did was to appoint a water management specialist. We are home to an internationally accredited abattoir and on the wine route of the District and therefore cannot afford to lose these industries that are creating hundreds of jobs for our residents and a livelihood to our community.

I would to thank MEC Bentley Vaas and the Department for their continued support to the municipality, the political leadership from all political parties in Council for putting the community of !Kheis first in all our engagements and management for working closely with Council and offering advice when required. To team !Kheis, our staff of dedicated individuals thank you for making sure we provide services despite our numerous challenges and last but not least, the community of the municipality for allowing us to serve on your behalf and having an incident free financial year.

ANDRIES DIERGAARDT
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGERS OVERVIEW



“Section 152 of the Constitution of the Republic of South Africa enjoins and mandates us to move towards a democratic and accountable system of local government for the provision of services in a sustainable manner, promote social and economic development, a safe and healthy environment and above all encourage the participation of the community in the affairs of the municipality.”

The municipality was without a substantive Municipal Manager and Chief Finance Officer for the first half of the year under review and prior financial year ostensibly from 1 September 2016 due to instability in the municipality. The municipality progressively regressed over these years and lost key personnel in the Budget and Treasury Office. The situation was worsened by the appointment of individuals without the requisite skills and necessary competencies to act as senior managers. Internal controls deteriorated to the extent that R6.5million had to be returned to the National Revenue Fund for non-compliance with the Division of Revenue Act. The funds were offset against the Equitable Share for the year under review placing the municipality under severe financial strain, meaning the municipality could not fully meet its financial obligations.

The dire situation necessitated that the municipality must prepare a Financial Recovery Plan. The plan was prepared in compliance with Section 141 (3) of the MFMA in conjunction with the Provincial Treasury and Coghsta. The plan also contained a bailout proposal for R4.7million to address the R6.5million shortfall and reduce third party payments to thirty (30) days especially statutory deductions and trade creditors who were not paid for months. To date, despite the assurance that the bailout was approved before the sixth administration, Provincial Treasury has not obliged.

The organogram of the municipality was the most archaic of a category 1 municipality with six (6) directorates excluding the municipal manager. The employee costs as percentage of operational expenditure accounted for 53% when the norm is 37.5% in local government. This put a further strain on the fiscus and the ability to provide services in accordance with its Constitutional injunction. The organogram remains bloated, with too many employees for the size of the municipality. The alignment of the IDP, budget and SDBIP were also a cause for concern because it impacted directly on the Predetermined Objectives (PDOs) of the municipality. The net effect is that the Auditor General issued adverse findings on the PDOs because in the Key Performance Indicators were not consistent with the SMART principle.

The challenges elucidated above deemed it necessary that the municipality must turn around if it has to continue as a going concern that can deliver services in terms of universal norms and standards. We immediately embarked on the following deliberate and concerted process having made Council aware of the legislative, policy, regulatory and compliance environment;

1. Council rescinded the irregular appointments of three senior managers who were in indefinite acting positions without the ratification of Council. The net result is that the municipality has saved over R3million, and the funds were utilized for service delivery.
2. The Chief Finance Officer was reinstated in January 2019 to comply with the Labour Court judgement bringing much needed stability in the BTO.
3. A water resource management expert was appointed to improve the quality of our water resources since KLR threatened to relocate elsewhere in the province because our water sources contained E.coli. The situation

has improved dramatically and water samples are taken regularly to Pathcare in Upington monthly for assessment.

4. The BTO was strengthened to improve internal controls with the appointment of a Chief Accountant, a move that has paid dividends. The Annual Financial Statements (AFS) were compiled internally without consultants, and this decision exposed the extent to which the consultants who had been doing the books of the municipality for years, did not comply with GRAP requirements. During the external audit of the year under review glaring irregularities were discovered that contributed to the adverse finding in Plant, Property and Equipment and Revenue. The compilation of the AFS in the prior greatly compromised the integrity of the AFS for the year under review.
5. We have also improved the performance and compliance with the DORA in the last six months of the year under review. National Treasury has as a result approved all our requests for roll overs.
6. The Audit Committee is functional and played an integral part in the certification of the AFS and the Annual Performance Report. The Audit Committee also participated during the external audit process and has improved the function of Internal Audit and Risk Management in the Office of the MM.
7. The municipality developed a tariff bylaw and tariff policy that gives effect to the bylaw and this has improved collection of revenue particularly from the farming community. We are in the process of reviewing the Valuation Roll of the municipality to take into account the migration of farm land from traditional crops to Pecan Nut farming.

Service Delivery Imperatives

The municipality undertook an integrated service delivery program that included ward-based programs to ensure that there is water provision to the community, refuse is taken regularly, we fix leaks and provide sanitation services to households universally.

The Brandboom water reticulaltion and Gariep water projects commenced during the year under review and will be completed in the next financial year multi-year projects. The assessment, business case and funding for the refurbishment of the six Water Treatment Works (WTW) was completed in the last quarter of the financial year and actual work will start during the third quarter of 2019/20.

The construction of the Sternham and Duineveld sewer reticulation commenced in the year under review and will be completed in the new year. The sewer reticulation in Grootdrink had to be stopped because the contractor was removed from site due to non-performance. We have been advised by the Department of Water and Sanitation to develop a new business plan to complete the remaining works. We will also submit the name of the Contractor and its Directors to National Treasury to be blacklisted.

Business Plans for human settlements have been submitted for all six settlements in the municipality. Grootdrink has been approved for 50 houses and the municipality has been requested to revise the business plans because there is no water-borne sanitation infrastructure in most of the areas.

Electricity remains the purview of Eskom and the municipality is reliant on its programs. A number of households has been provided with solar panels for energy while Eskom has commenced with the Integrated National Electricity Program (INEP) for new connections across our settlements. One downside is the inability of ESKOM to provide the municipality with additional capacity and this has hampered much need private business and residential developments in the area of Groblershoop.

The municipality strives to promote cooperative governance and fully participated in forums at both the District and Provincial level. !Kheis has shared services with ZFM district, Tsantsabane and Kgatelopele local municipalities to comply with the Spatial Land Use Management Act by way of a joint tribunal. We have not seen much of the District in its role as a center of excellence to assist the municipality during the year under review. The municipality has unfortunately also been a target of unwarranted political interference to the extent that Council had to register a complaint with the former minister of Cooperative Governance and Traditional Affairs.

In conclusion, the road ahead is an uphill one and would require all hands-on deck. The community is the Shareholder and should hold the Councilors accountable, management is responsible for the strategic direction of the municipality through the implementation of Council decisions and the greater staff by implementing the IDP by adhering to the technical SDBIPs of each unit of the municipality so that we deliver on the priorities identified by the community on time and on budget.

FLOYD LEEUW

MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Vision, Mission and Values

Vision:

A beacon of basic service delivery

Mission:

1. Creation of a conducive working environment
2. Attracting employees with the requisite skills and competencies
3. Effective and efficient management of resources
4. Deliver on identified community priorities
5. Develop reliable infrastructure for service delivery
6. Promote a conducive environment for safety and socio-economic development
7. Promote a transparent and accountable system of governance

Our Shared Values

Ubuntu

- *"I am what I am because of who we all are"*
- Humility and dignity in everything we do and say
- Respect for each other and fellow citizens irrespective of age, gender, race, language or status

Integrity

- Incorruptability - Incapable of being bribed or morally corrupted, to be honest, refuse to lie, steal or deceive in any way
- Adherence to the facts
- Avoidance of untested and unverified opinions, including own
- Reasoning that is sound, complete and free of any flaw

Excellence

- *"Where there is a will, there is a way"*
- Display of unlimited ability, willingness and commitment to improve the quality of service offerings
- Diligence

Dynamism

- adaptability - Ability to deal successfully with positive and negative circumstances and different expectations
- An innovative organization striving for continuous improvements with a positive attitude

1.2.1 MUNICIPAL FUNCTIONS

The Municipality is structured in four directorates namely, Corporate Services (Administration) Community Services, Budget & Treasury and Technical Services. The Community Services department currently reports directly to the Municipal Manager as the position of Director: Technical Services has been vacant for the entire year under review and remains vacant as a cost-cutting measure.

The Municipality's administration comprises of the following departments and functions:

TABLE 1: FUNCTIONS PER DEPARTMENT

DEPARTMENT	FUNCTION (SECTION)
Municipal Manager	<ul style="list-style-type: none"> • Integrated development planning • Corporate strategy • Performance management • Inter-governmental relations • Local economic development and tourism • Internal Audit • Policy formulation
Budget & Treasury	<ul style="list-style-type: none"> • Revenue management • Expenditure management • Budget preparation and management • Preparation of financial statements • Information Communication and Technology (ICT) • Supply chain management • Asset management
Community Services	<ul style="list-style-type: none"> • Libraries • Cemeteries • Sport, parks and recreation • Community development • Solid waste management • Integrated Human Settlements(housing) • Land use management • Building Control and TownPlanning • Environmental Management • Disaster management
Corporate Services	<ul style="list-style-type: none"> • Human Resources • Committee Secretariat • Legal Services • Records Management

Technical Services	<ul style="list-style-type: none"> • Roads and storm water • Waste water services (Sanitation) • Water services • Electrical services
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TABLE 2: KHEIS INDUSTRIES AND ACTIVITIES

Industries and activities in the various settlements include:

TOWN	INDUSTRIES
Groblerstroom	Internationally accredited abattoir Wine Cellar located along the wine route Hospitality and Tourism Destination Resort along the banks of the river Guest Houses Destiny Restaurant and Club The economy of the town is mainly centered on the agricultural industry, which includes the production of grape and lamb
Boegoeberg	Host to Boegoeberg dam, a tourist and camping attraction
Grootdrink	<ul style="list-style-type: none"> • Home to the biggest wine cellar in the municipality and not operation to its full capacity because farmers have migrated to pecan nut farming • FM Safari game farm
Wegdraai	Thuru lodge game farm

POPULATION PROFILE

TABLE 3: POPULATION OF !KHEIS – SOURCE: Statistics South Africa, 2017

The table and graph below indicates the population forecasting of !Kheis Municipality population

1996			2001			2011			2016		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
7 521	7 525	15 046	8 196	8 343	16 538	8 408	8 229	16 637	8 378	8 188	16 566

1996			2001			2011			2016		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
7 521	7 525	15 046	8 196	8 343	16 538	8 408	8 229	16 637	8 378	8 188	16 566
1996			2001			2011			2016		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
7 521	7 525	15 046	8 196	8 343	16 538	8 408	8 229	16 637	8 378	8 188	16 566

HOUSEHOLDS

The table and graph indicate the number of households and indigents within the municipal area.

The numbers of total number of households emanates from the community survey conducted in 2016 by Statssa.

Number of households by household size, 1996-2016

	1	2	3	4	5	6	7	8	9	10+	Total
1996	421	565	486	506	413	260	201	125	117	112	3 206
2001	602	811	648	653	481	349	203	134	86	183	4 150
2011	773	845	649	633	430	280	236	117	95	142	4 200
2016	631	823	773	637	500	424	292	134	26	104	4 344

Excludes “do not know” and “unspecified”

Percentage distribution of households by household size, 1996-2016

	1	2	3	4	5	6	7	8	9	10+	Total
1996	13.1	17.6	15.2	15.8	12.9	8.1	6.3	3.9	3.6	3.5	100.0
2001	14.5	19.5	15.6	15.7	11.6	8.4	4.9	3.2	2.1	4.4	100.0
2011	18.4	20.1	15.5	15.1	10.2	6.7	5.6	2.8	2.3	3.4	100.0
2016	14.5	18.9	17.8	14.7	11.5	9.8	6.7	3.1	0.6	2.4	100.0

1.2.2 SOCIO ECONOMIC STATUS

TABLE 4: SOCIO ECONOMIC STATUS SOURCE: MERO 2017

Socio Economic Status									
Year	Housing Backlog as proportion of current demand	Informal settlements	Access to basic services	Access to free basic services	Unemployment Rate	Skilled	Semi-skilled	Low-skilled	
2018/19	3184	306	7537	2388	11,9%	16,7%	34,1%	49,2%	
									T.1.2.4

1.2.3 ENVIRONMENT, TOURISM AND LOCAL ECONOMIC DEVELOPMENT

The Local Economic Development (LED) Strategy together with the terms of reference (TOR) were approved in 2014. The LED strategy is outdated, and the Department of Economic Development and Tourism has approached assist with the review of the Strategy. The Department has already made a commitment to assist with the review in the coming financial year. The LED forum was fully functional for the year under review with three meeting taking place. The TORs are currently being reviewed and will be adopted in the next LED Forum.

Expanded Public Works program (EPWP) and over the 2016/2017, 2017/2018 and 2018/2019 financial years, the municipality partially the annual targets set for EPWP jobs:

EPWP WORK OPPORTUNITIES					
YEAR	TARGET	TARGET ACHIEVED	TARGET full time equivalent	ACHIEVED full time equivalent	GRANT ALLOCATED
2016/17	98	43			R1 000 000.00
2017/18	122	119	1	1*	R1 000 000.00
2018/19	135	59	1	1*	R1 000 000.00
					T020

TABLE 5: NATURAL RESOURCES

The table below reflects the natural resources within the municipal area:

Natural Resources	
Major Natural Resource	Relevance to Community
Water	Basic need to all residence
Electricity	Basic need to all residence
T 1.2.7	

1.2.4 SERVICE DELIVERY OVERVIEW

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. Chapter 3 provides more detailed information on basic service delivery as well as all other functions rendered by the Municipality during 2018/19.

TABLE 6: HIGHLIGHTS DURING THE 2018/2019 FINANCIAL YEAR

BASIC SERVICE DELIVERY HIGHLIGHTS FOR 2018/19

During the 2018/2019 financial year, the municipality made the following contributions to satisfy basic requirements:

SERVICE	HIGHLIGHT DESCRIPTION
WATER SECURITY AND PROVISION	Acquired and additional R4m for the Brandboom water reticulation project
	Appointment of a water resource management specialist
	Eradicating ecoli in our water treatment plant in Groblershoop
	Monthly laboratory results of water samples that comply with SANS 241 wrt the quality of water
	Supply emergency water to community

SERVICE	HIGHLIGHT DESCRIPTION
	Sourced funding from ACWA Power for the refurbishment of the six Water Treatment Plants
ELECTRICITY	Connecting an additional 89 households on to the grid
ROADS	Upgrade of Main Street in town connecting to the town, magistrate office and the CBD
GOOD GOVERNANCE	Appointment of Audit Committee members
	Engagement with stakeholders internal and external on municipal affairs
	Good progress have been made in the turn-around of the Municipality although much effort is still required.

TABLE 7: CHALLENGES DURING THE 2017/2018 FINANCIAL YEAR

During the 2018/2019 financial year, the municipality faced the following challenges:

Service Area	Challenge	Interventions to address
Infrastructure: Water, roads, sanitation, electrical	Inadequate funding (grant and own funding)	Infrastructure maintenance and upgrades are the most crucial issues in the Municipality. Additional funding is required to address infrastructure maintenance and upgrades.
	Large number of faulty water meters. Users only pay for basic services. until meters are replaced- financial loss	Funding and manpower required to repair/replace faulty water meters
	Roads - Grant funding not adequate to maintain upgraded roads.	Ongoing application for external funding from various sources.
	Water - availability of water, especially in the hot and dry summer months	Fast tracking of the ACIP & RBIG funding requests for WWTW's
	Non-compliance regarding the operation of refuse sites are serious. No funding is available to comply with the requirements.	The Municipality is in a mediation process with the Department of Environmental Affairs and Public Prosecution.
Service Area	Challenge	Interventions to address
Fleet Management	Limited fleet available in all service delivery departments	We have made a submission to the DBSA and are awaiting a response
Human Settlements	Challenges with regard to the capacity of bulk infrastructure services resulting in significant increases in housing waiting lists	Funding required to increase the capacity of bulk infrastructure to allow for new housing developments
	Incorrect title deeds	Appoint a surveyor to alleviate the risk of incorrect title deeds
	Huge demand for low cost and GAP housing	Ongoing liaison with the Department of Human Settlements to fund the implementation of the human settlement pipeline
Workforce	The employee costs as a percentage of operational expenditure are way beyond the norm	We are encouraging employees in non-essential posts to consider severance packages to make a submission to Cogta
	HR processes not adhered to	Organizational structure currently being Reviewed and appointment of a HR Specialist
	OHS and wellness programs not fully operational	Training and capacity building for the incumbent

TABLE 8: PROPORTION OF HOUSEHOLDS TO BASIC SERVICES AS PER MUNICIPAL STATISTICS
 (SOURCE: SAMRAS)
 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

Proportion of Households to basic services as per municipal statistics		
	2017/2018	2018/2019
Electricity service connections (inclusive of solar panels)	2767	4267
Water - available within 200 m from dwelling	4007	4307
Sanitation - Households with at least VIP service	3810	3810
Waste collection - kerbside collection once a week	4007	4307

Free Basic Services to Low Income Households										
	Number of households									
	Total	Households earning less than R2,560 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2016/17	-	3400	1,556	45.5%	1,556	45.5%	1,556	26%	1,556	45.5%
2017/18	5,656	3560	978	27.5%	978	27.5%	978	27.5%	978	27.5%
2018/19	5,656	3560	964	27%	964	27%	964	27%	964	27%
										T 016

1.2.5 FINANCIAL OVERVIEW

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country’s democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

AUDIT READINESS

A program was implemented to ensure effective audit readiness and the process plan has been compiled to improve communication within the municipality as well as between the municipality and the Auditor-General staff.

All activities in the process and documents required have been linked to dates and specific persons to prevent negative impact in unwanted audit findings, should the documents not be available when requested. The process is being managed proactively and more effectively to

RELIANCE ON CONSULTANTS

The municipality did not use the services of consultants in the preparations of the Annual Financial Statement nor the Asset Register for the year under review. We however realized that we will have to source expertise in asset management to improve compliance with GRAP 17 and 25 respectively because we do not have the requisite expertise and we have received little or no assistance from the District.

ENTERPRISE RISK MANAGEMENT AND INTERNAL AUDIT

Enterprise Risk Management (ERM) is an essential function that must be performed by the Municipality in terms of the applicable local government legislation. Auditor-General reports in recent years have highlighted the risks for the Municipality and findings have indicated that ERM must be prioritized as this function has been neglected for years.

The municipality has established an Audit & Risk Committee and developed the policy, strategy and have conducted risk assessments for each business unit. We hope that this function will to a great extent assist to improve the audit outcome of the municipality for the 2019/20 financial year.

TABLE 9: HIGHLIGHTS REGARDING FINANCIAL MANAGEMENT FOR 2018/19

HIGHLIGHTS REGARDING FINANCIAL MANAGEMENT FOR 2018/19

SERVICE	HIGHLIGHT DESCRIPTION
Financial Recovery Plan	Provincial Treasury is satisfied with the progress in terms of the Financial Recovery Plan
	Municipality submitted the AFS on 6 September due a suspected sabotage on our internet lines
FINANCIAL VIABILITY	Third parties have been reduced from R6.7m to R2.9m
	The payment rate of the Municipality has been increased from 62% in 2016 to 89.51% in 2018 improving the cash flow situation
FINANCIAL MISCONDUCT	MPAC has largely been ineffective due to capacity constraints, however the appointment of the Audit Committee members will improve its oversight responsibilities

CHALLENGES REGARDING FINANCIAL MANAGEMENT FOR 2018/19

Service Area	Challenge	Interventions to address
Late submission of Annual Financial Statements	The internet connection is very slow and sometimes leads to intermittent cut offs	Installing fibre cable to improve the connection and reduce our downtime
Operational Expenditure	Employee costs account for more than 42% of operational expenditure, which is way above the norm	Consulting staff and unions to opt for voluntary severance package that we must present to National Treasury
Asset management	Poorly maintained assets (vehicles, roads and other infrastructure etc) are major risk	Submitted a proposal to DBSA to replace yellow fleet
evenue	Non-payment by households	Introduce flat rate

FINANCIAL OVERVIEW – 2018/19

Details	Original Budget	Adjustment Budget	Actual
Income	44,259,000.00	41,670.000.00	47,722,209.00
Grants Utilized for Operating Expenditure	26,328,000.00	22,400,000.00	26,629,589.00
Property Rates and service charges	13,338,000.00	12.797,000.00	14,177,975.00
Other	4,593,000,00	6,473,000,00	5,914,645,00
Sub Total	44,259.000.00	41,670.000.00	47,722,209.00
Less Expenditure	59,722,000.00	60,818,000.00	60,793,202.00
	-15,463.00	-19,148.00	-13,070,993.00
Plus: Grants Utilized for Capital Expenditure	14,567.000.00	19,067.000.00	19,067.000.00
Net Total	14,551,457.00	19,047,852.00	5,996,007.00
T001			

CAPITAL EXPENDITURE – 2018/19

Details	Original Budget	Adjustment Budget	Actual
Capital Expenditure	14,567.000.00	19,067.000.00	19,067.000.00
T002			

OPERATING EXPENDITURE – 2018/19

Details	Original Budget	Adjustment Budget	Actual
Operational Expenditure	59,722.000.00	60,818.000.00	62,350,346.00
Employee Related Costs	28,964,000.00	28,861,000.00* *reduction of Directorates	32,046,952.00** **32 workers
Employee costs as % of OpEx	48.5%	47.4%	51.4%
T003			

CHAPTER 2: GOVERNANCE

Component A: Government structure

1. Political Government Structure
Council

!Kheis municipality has 7 councilors which consist of 4 ward councilors and 3 PR councilors. The legislative and executive authority of the municipality resides in council which are headed by the Mayor and 6 councillors.



Mayor: Cllr. A. Diergaardt (ANC)



Ward Councillor
Cllr. A. Tobias (ANC)



Ward Councillor
Cllr. S Esau (ANC)



Ward Councillor
Cllr. J. Silo (ANC)



PR Ward Councillor
Cllr. G. Beukes (DA)



PR Ward Councillor
Cllr. E Cloete (Cope)



PR Ward Councillor
Cllr. K Esau (Cope)

Refer to **Appendix A** for a full list of Councillors (including committee allocations and attendance at council meetings) as well as resolutions taken and executed.

Refer to **Appendix B** where committees and committee functions are set out.

The municipality currently has 134 employees, of which 3 are Section 57 employees, 126 permanent and 5 contract employees. (Information provided by HR as at 15 May 2019)

In the 2018/2019 financial year, management initiated a process to review the macro-structure to ensure alignment with the municipal strategic objectives (IDP) to ensure compliance and effective and efficient service delivery. This exercise highlighted a number of critical areas that management needs to address to ensure optimal service delivery. Examples of these are as follows:

- Low morale
- Inadequate relevant skills levels
- Inadequate qualifications
- Lack of clarity regarding roles and responsibilities (middle management and supervisors)
- Lack of discipline

Some of the above concerns have subsequently been addressed in implementing the following initiatives:

- Job descriptions for all staff have been developed
- Training plans have been developed to identify skills needs.
- Work Place Skills Plan has been developed and will be implemented in the next financial year
- Present the code of conduct to staff

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

CHALLENGES	ACTIONS TO ADDRESS
Implementation of the organizational structure	This process will ensure that a new structure be introduced to ensure effective, efficient, economic, quality and timeous service delivery and to ensure that employees are capacitated to perform according to expectations. Job descriptions to accompany the organizational structure are now being compiled. SALGA will assist the Municipality early in 2020 with an exercise regarding capacity.
Skills Development	<div>The Municipality is in process to equip employees with training through the LGSETA program.</div> <div>Municipal Minimum Competency has commenced with permanent and interns attending MFMA courses. Plans are underway for learn ships for the young people in the community through funding allocated to the District by LGSETA</div>

T

2.1 AUDITOR GENERAL REPORT (ANNEXURE ORIGINAL DOCUMENT)

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL OF !KHEIS MUNICIPALITY

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- ▯ Fair presentation and absence of significant misstatements in financial statements
- ▯ Reliable and credible performance information for predetermined objectives
- ▯ Compliance with all laws and regulations governing financial matters.

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follow:

A clean audit:

- ▯ The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.

Unqualified audit with findings:

- ▯ The financial statements contain material misstatements. Unless they express a clean audit outcome, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.

Qualified audit opinion:

- ▯ The financial statements contain material misstatements in specific amounts, or insufficient evidences for them to conclude that specific amounts included in the financial statements are not materially misstated.

Adverse Audit Opinion:

- ▯ The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.

Disclaimer of Audit opinion:

- ▯ The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of enough evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

The table below indicates the audit opinion received for the past four financial years:

Financial year	Audit outcome
2015/16	Qualified
2016/17	Qualified
2017/18	Disclaimer
2018/19	Disclaimer

STATUTORY ANNUAL REPORT PROCESS

The Municipal Finance Management Act (MFMA) requires that a Municipality prepared an Annual Report for each financial year. The Annual Report is a measure of ensuring that there is regular, impartial feedback to stakeholders and that accountability and thereby transparency is strengthened. Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the Municipality and its external service providers, providing a comparison between targets and performance in the previous financial year and improved measures taken. The annual performance report must form part of the annual report. The revised timeframe for the statutory annual report process received from National Treasury (Circular 63/2012) consists of the following and will be followed for the 2018/19 annual report process:

Activity	Legislation and	Process Owner	Timeframes Guidance	
Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.		MSA S41 (1)(e)	Municipal Manager (Assisted by other s56 managers and CFO)	July
Implementation and monitoring of approved Budget and IDP through the approved SDBIP commences (In-year financial reporting and quarterly performance reports)		MSA S41 (1)(e)	Municipal Manager (Assisted by other s56 managers and CFO)	July
Finalise 4th quarter Performance Report for previous financial year		MFMA S52(d)	Municipal Manager (Assisted by other s56 managers and CFO)	July
Submit draft previous financial year Annual Report and evidence to internal and the Auditor General including annual financial statements and financial and non-financial information		Submission of AFS as per section 126 (1) of the MFMA. Additional step, a draft annual report is prepared. Annual performance report needs to be included as per section of the MSA	Municipal Manager and CFO	July
Submit Annual Report including annual financial statements and Annual performance Report to the combined audit/performance committee		Joint committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	Municipal Manager and CFO	July / August
Combined Audit/performance committee considers unaudited Annual report of Municipality			Audit and Performance Audit Committee	August
Mayor tables the unaudited Annual report in Council		The Annual Report submitted and complies with the requirements of Section 121 (3) (a-k). Information on pre-determined objectives to be included. Note that is unaudited and will not include any of the AG's reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated unaudited annual report by September)	Mayor	
Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General for auditing purposes – due 31 August. Council submit unaudited tabled annual report to MPAC for vetting and verification of council's directive on service delivery and the committee to evaluate senior managers' performance against agreement entered into.			CFO	
Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities.		If the above process is followed, the unaudited Annual report can add	Council	August

Activity	Legislation and	Process Owner	Timeframes Guidance
Unaudited annual report as submitted to AG to be used as input into the IDP strategic phase process and community verification and input by MPAC on reported performance. Such information includes that of various entities incorporated into information of the parent.		value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.	
Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the Municipality		Section 126 (3) (b) require the Auditor-General to submit an audit report within three months after receipt of statements from the Municipality	Auditor-General November
Annual Report and oversight report processes for adoption to be used as input into public participating meetings for the IDP review process		Section 127, 128, 129 and 130	Council September - November
The Auditor-General's reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed		Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website	Municipal Manager November / December
Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report			Mayor
Audited Annual Report is made public and representation is invited			ICT / CFO
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AG's report. Council is expected to conclude on this matter before going on recess in December			MPAC
Council adopts Oversight Report		The entire process, including oversight reporting and submission to provincial legislators are completed in December and not in March the following year	Council December
Oversight Report is made public			Municipal Manager
Oversight report is submitted to legislators, Treasurers and COGTA			Mayor

TABLE 20: STATUTORY REPORTING TIMEFRAMES – CIRCULAR 63 (SEPTEMBER 2012)

The Annual Report must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will assist with the annual audits and as a management tool for the budget process and as an accountability instrument for feedback to the public. MFMA reforms include ensuring transparency and accountability for the fiscal and financial affairs of municipalities through in- year and Annual Reporting. Real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, service delivery agreements, performance agreements of senior management and officials, in-year reports covering financial and non-financial information, (such as MFMA Sections 71, 72 & 74 and MSA Section 41 among others), Annual Financial Statements, Annual Performance Report and the Annual Report.

The IDP, Budget, SDBIP, in-year reports, annual performance report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

CHAPTER 3: BASIC SERVICE DELIVERY PERFORMANCE INFORMATION

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation’s strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to inform the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the Municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.”

Performance management is not only relevant to the organisation, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance

LEGISLATIVE CONTEXT

In terms of section 46(1) (a) a Municipality must prepare for each financial year a performance report reflecting the Municipality’s and any service provider’s performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

ORGANISATIONAL PERFORMANCE

Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation.

The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the Municipality’s Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 46 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level and municipal services.

INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2018/2019

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality’s strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements).

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the Strategic Objectives linked to the Municipal KPA’s. The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi’s) of the SDBIP is measured:

SO 2. To ensure efficient infrastructure and energy supply and improve our public relations thereby pledging that our customers are serviced with dignity and care.

KPA	Department	Indicator	Baseline	Prior year's Performance 2017/18		Annual Target 2018/19	Annual Actual 2018/19	Performance Comment	Corrective Measures	P.O.E
				Annual Target 2017/18	Annual Actual 2017/18					
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Submissio n of 1 Business Plan for.	Developmen t of a business plan as per council resolution number 003/03/14	Submission of 1 business Plan for Gariep water supply	submission of a business plan as per council resolution	Implement ation of a business plan	Business Plan submitted on 14 April 2014	Final and approved business plan.	None	Final and approved business plan.
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	10% Water losses reduction by 30 June 2019.	10%	10%	Information inconclusive from DWS	10%	DNA due to bulk water meters that were not working properly		Municipality has commenced with the installation of bulk meters of the 2019/2020 Financial Year.	Blue-Drop Pad
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	To achieve 60% water purification (Blue- Drop) by 30 June 2019.	60%	60%	DNA IRIS system could not populate information	60%	53.4%	Still awaiting certification from DWS.	None	Drinking Water Quality Results

KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Implementing of Project Brandboom Bulk Water Supply upgrade by 30 June 2019.(New Indicator)	New	New	New	100%	15%		Start the procurement processes before the end of the financial year because the grant allocation will be known	Progress Report
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Progress report on 1000 Households with a metered water connection by 30 June 2019.	New	New	New	Implementation of 1 Report for Pre-Paid Water meters as per resolution	1 Report for Pre-Paid water meters submitted on 24 April 2018.	None	None	Final Approved Technical Report
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Constructions of sewer reticulation pump station in Grootdrink .	40% of construction work that was completed.	40%	40% of construction work that was completed.	100 %	80%	Project suspended due to non-performance from the contractor.	Submitted Business Plan for remaining work.	Progress Report and Business Plan
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	To achieve 10% Green-drop by 30 June 2019	Raw sanitation could not be sampled	10%	Raw sanitation could not be sampled	10%	0	None	Seek funding for refurbishment of the Waste Water Treatment plant	Green-Drop Report and Letter to Request for funding
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Providing 2160 households with basic sanitation services by 30 June 2019	Target was not realistic	Target was not realistic	Target was not realistic	2160 Households	2583 Households	None	None	Approved Sanitation Reports
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Construction of Sternham and Duineveld Sewer Reticulation pump station by 30 June 2019	Target was not met; progress on the construction work of the project was 0%, as the project did not start on time.	100%	0	100%	80%	None	None	Progress Report

KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Implementation of Kheis UDS projects (Installation of UDS toilets).	New	New	New	1 Implementation Report for UDS Project	Submission of a Implementation plan for UDS toilets submitted to MIG	None	None	Approved UDS implementation
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Submission and approval 1 Waste Management policy by 30 June 2019.	New	New	New	1 Waste Management Policy	1 Draft Waste Management Policy	Waste Management Policy in Draft format	To Finalise final waste management policy by 30 June 2020	Approved Waste Management Policy and council resolution
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Providing 3880 households with solid waste removal per annum by 30 June 2019.	Target was not realistic	Target was not realistic	Target was not realistic	3880 Households	4298 households	None	None	Quarterly Sanitation Reports
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Sternham upgrading of Internal residential Streets 3 km paving. (1267)	New	New	New	3km	3Km	None	None	Close-out Certificate
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	To create 57.68 Full Time Equivalent (EPWP)	New	New	New	57.68 Full Time Equivalent	41.32 Full Time Equivalent	None	Improve financial management.	EPWP Worksheet

KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Development of an Infrastructure Maintenance Plan by 30 September 2019.	New	New	New	Submission of an Infrastructure Maintenance Plan	1 Approved Infrastructure Maintenance Plan	None	None	Approved Infrastructure Maintenance Plan
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Quarterly implementation report of the Infrastructure Maintenance report	New	New	New	Submission of Infrastructure Maintenance Reports	1 Approved Infrastructure Maintenance Report	None	None	Approve Infrastructure Investment Report.
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Review and approval of maintenance plan of Infrastructure Services by 31 March 2019	New	New	New	Submission of 1 Infrastructure Plan	1 Approved Maintenance Plan	None	None	Review of Maintenance infrastructure Plan
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Review of 1 Infrastructure investment plans by 30 September 2018	1 Draft Infrastructure Investment Plan	1 Draft Infrastructure Investment Plan	Submission of 1 Draft Infrastructure Investment Plan	Submission of 1 Infrastructure Investment Plan	1 Approved Infrastructure Investment Plan	None	None	Infrastructure Investment Plan
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	To create 1.15 Full Time Equivalent by implementing the Project Data Capturing	New	New	New	1.15 Full Time Equivalent	1.15 Full Time Equivalent	None	None	EPWP Spreadsheet

KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Conducting of 1 Local Tourism Organisation (LTO) Meetings by 30 June 2019	New	New	New	Submit 1 Terms of Reference for Local Economic Organisation	Approve Terms of Reference for Local Economic Organisation	None	None	1 Local Tourism Terms of Reference
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Jobs created through municipality's local, economic development initiatives including capital projects by 30 June 2019.	New	New	New	3	681	To set Target more realistic in the 2019/2020 Financial Year	None	Job Advertisements, Attendance Registers, Monthly control sheets.
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Convene LED Forum and Forum meetings by 31 December 2018 and 30 June 2019	New	New	New	2 x LED forum meetings	3 LED Forum Meetings	None	None	Invitation to LED Meeting, Minutes of meetings, attendance registers.
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Development of 2 library Programs by 30 June 2019.	New	New	New	2 library outreach programs	7 Library programs	None	None	Attendance Registers Library Programs
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Submission of 12 monthly Learner License reports to Provincial Safety and Liaison.	New	New	New	12 Monthly Learners License reports	Submission of 12 Monthly Learners license reports to Provincial Safety Liaison	None	None	Approved Learners License Reports submitted

KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Submission of 12 monthly Traffic motor registration RD324 report to Provincial Safety and Liaison.	12 Reports submitted to department safety and Liaison	12 Reports submitted to department safety and Liaison	12 Traffic motor registration reports	12 Monthly Traffic Moto Reisgistration reports	Submission of 12 Traffic motor registration reports to Provincial and Safety and Liaison	None	None	Approved Motor Vehicle registration Reports submitted
A 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Technical Services	Improving the level of citizens satisfaction rate with frontline, face to face, telephonic and over-the counter service of the Municipality by 30 June 2019.	New	New	New	Submission of 1 Customer Complaint	156 customer Complaints	Target needs to be set more realistic in the 2019/2020 Financial year.	None	Complaints Register/forms
KPA 2: Services, Customer Care, Physical Infrastructure and Energy Efficiency	Community Services	Review and approval by council of the disaster management plan and disaster management recovery plan by 30 June 2019.	New	New	New	Submission of 1 Disaster Management Plan and Disaster Recovery Plan	1 Approved Disaster Management Plan and Disaster Recovery Plan	None	None	Council Resolution Approved Disaster Management and Disaster Recovery Plan

SO 3. To facilitate sustainable economic empowerment for all communities within !Kheis and enabling a viable and conducive economic



KPA	Department	Indicator	Baseline	Prior year's Performance 2017/18		Annual Target 2017/18	Annual Actual 2017/18	Annual Target 2018/19	Annual Actual 2018/19	Performance Comment	Corrective Measures	P.O.E
SO 3. To facilitate sustainable economic empowerment for all communities within !Kheis and enabling a viable and conducive economic	Community Services	Handing over of 50 Tittle deeds by 30 June 2019.	New	New	New			List of 50 title deeds handed to beneficiaries	List of 50 Title deeds handed over to beneficiaries	None	None	Letter to Gogstha. List of title deeds.

SO 4. To ensure the financial sustainability of the municipality in order to fulfil the statutory requirements

KPA	Department	Indicator	Baseline	Prior year's Performance 2017/18		Overall Performance from Jul 2018 to June 2019					
				Annual Target 2017/18	Annual Actual 2017/18	Annual Target 2018/19	Annual Actual 2018/19	Status	Performance Comment	Corrective Measures	P.O.E
SO 5. To ensure the financial sustainability of the municipality in order to fulfil the statutory requirements	Finance Department	Ensure that price written quotations are finalised within 15 days from closing date. Monthly progress report on price written quotations.	New	New	New	Submission of 12 price written quotations	12 price written quotations	😊	None	None	Signed and approved Price Written quotations
SO 5. To ensure the financial sustainability of the municipality in order to fulfil the statutory requirements	Finance Department	Perform quarterly reconciliation of assets verified (scanning list) and assets on FAR and submit a report	New	New	New	4 Reports	1 Reports	😞	The scanning was done once because of the use of consultants	Target should be set on a annual basis and not quarterly.	quarterly asset reconciliation and far reports
SO 5. To ensure the financial sustainability of the municipality in order to fulfil the statutory requirements	Finance Department	80% of a municipality's capital budget actually spent on capital projects by 30 June 2019.	New	New	New	80%	91.8%	😊	None	None	Spreadsheet of capital budget spent on capital projects

SO 5. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.

KPA	Department	Indicator	Baseline	Prior year's Performance 2018/19		Overall Performance from Jul 2018 to June 2019					
				Annual Target 2017/18	Annual Actual 2017/18	Annual Target 2018/19	Annual Actual 2018/19	Status	Performance Comment	Corrective Measures	P.O.E
SO 7. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	Corporate Services	Submission of 1 Workplace Skills Plan & Annual Training Report by 30 April 2019.	1 Workplace skills plan and Annual training report submitted to LGSETA	1 Workplace skills plan and Annual training report submitted to LGSETA	1 Workplace skills plan and Annual training report submitted to LGSETA	1 Report	1 Report	😊	None	None	Proof of submission of Workplace Skills Plan and Annual Training report
SO 7. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	Corporate Services	Submission of 1 Annual Employment Equity Report to Department Labour (LGSETA) by 31 March 2019.	1 Employment Equity Report submitted to Department of Labour.	1 Employment Equity Report submitted to Department of Labour.	1 Report submitted to Department of Labour	1 Employment Equity Report	1 Report Submitted on 15 January 2019	😊	None	None	Proof of Submission to department of Labour.
SO 7. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	Corporate Services	Review of 1 By-laws introduced (new and amended) by 30 June 2019.	1 SPUMA by-law approved by council	1 SPUMA by-law approved by council	1 SPUMA by-law approved by council	1 by –law submitted to Council	1Tariff by-law approved by council	😊	None	None	Council Resolution Tariff by-law
SO 7. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	Corporate Services	10%Implementation of Municipality's budget actually spent on its workplace skills plan by 30 June 2019	2%	2%	2%	10%	2.87%	😞		Utilised own funding while waiting for approval from LGSETA	Budget spent on WSP Funding and Approval from LGSETA
SO 7. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	Corporate Services	To attend Quarterly Information Technology Governance Advisory meeting.	New	New	New	4 Meetings	3Meetings	😐	Stakeholder meetings called by third parties and are outside immediate environment	None	Attendance Registers, Minuets of meeting,

SO 7. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	Corporate Services	To review all Information Technology policies and submit to Council for approval by 30 June 2019.	Submission of Information Technology Policies	9 Information technology policies was review and approved by council by 30 June 2018.	9 Information technology policies was review and approved by council by 30 June 2018.	Submission of 1 I.T Policy	9 Policies approved.		None	None	Council Resolution, Approved Policies
SO 7. To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	Corporate Services	To ensure that daily back- ups are taken per month and submit a monthly report to the Corporate Manager.	New	New	New	Submission of 4 Daily Back- Up reports	4 Daily Back-up Reports submitted to the Corporate Manager		None	None	4 Daily back-up reports

COMPONENT A: BASIC SERVICE DELIVERY

3.1 WATER PROVISION

Access to portable water is essential to maintain a healthy lifestyle. !Kheis Municipality is the Water Service Authority responsible for water services and waste water services in Groblershoop, Boegoeberg, Opwag, Topline, Gariep, Grootdrink and Wegdraai with each town having its own Water Treatment Works (WTW). The WTW in Gariep needs extra capacity to cater for the growing population and new households in that area. The municipality has identified the need for long term water security in all these towns and has submitted a Refurbishment Business Plan to Bokpoort CSB which was approved by the Board in June 2019. The refurbishment works on the plants except for Gariep will commence in September 2019.

Water Service Delivery Levels	
Household	
Description	2018/19 Actual No.
<u>Water:</u> (above min level)	435
Piped water inside dwelling	3083
Piped water inside yard (but not in dwelling)	
Using public tap (within 200m from dwelling) Other water supply (within 200m)	0
Minimum Service Level and Above sub-total	0
Minimum Service Level and Above Percentage	
<u>Water:</u> (below min level)	658
Using public tap (more than 200m from dwelling)	
Other water supply (more than 200m from dwelling)	658
No water supply	0
Below Minimum Service Level sub-total	
Below Minimum Service Level Percentage	
Total number of households*	4,307
To include informal settlements	T004

Energy efficient pumps and metering systems were installed at all WTWs to save energy. The project was sponsored by the European Commission in partnership with the South African National Energy Development Institute (SANEDI).

The municipality commenced with bulk water supply projects in Groblershoop and Boegoeberg to refurbish pumps, storage tanks and increasing pipeline diameters. These refurbishments were funded the Department of Water and Sanitation to the tune of R13.5m and will be completed by end of September 2019.

The table below indicates the total use of water by sector in kiloliters from 2018/19 per financial year:

Total Use of Water by Sector 2018/19				
Years	Commercial	Industrial	Domestic	Unaccountable water losses (R)
2016/2017	101 103	348 255	792 300	746 120
2017/2018	76 336	334 552	694 667	-802 446

The tables below indicate the employees per levels, financial performance, capital expenditure and performance information (strategic objectives), for 2018/19 financial year:

TABLE 28: TOTAL EMPLOYEES PER WATER SERVICES - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

Employees: Water Services				
Job Level	2016/2017	2017/2018		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No.
0 - 3	3	36	6	30
4 - 6	2	4	7	-3
7 - 9	4	20	10	10
10 - 12	0	4	5	-1
13 - 15	0	1	0	1
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	9	65	28	37

The table below indicates Capital Expenditure for Water Services relating to the 2018/19 financial year

Capital Expenditure 2018/2019 financial year: Water Services					
R'000					
Capital Project	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Brandboom water reticulation	R 4,000.000.00	R 8,5000,00	R 7,634,874,30	R 3,634,874,30	R 6,500,00,00
Received additional funding from WSIG			T005		

3.2 SANITATION PROVISIONS

The majority of households are connected to septic tanks and French latrines and the table and graph below indicated the Access to Sanitation within the !Kheis area.

Construction of sewer reticulation in Grootdrink and Sternham was undertaken during the year review. The project was funded by the Municipal Infrastructure Grant (MIG) with a total cost of R18.8m which includes consultation fees and construction costs.

Sanitation Service Delivery Levels Household	
Household	
Description	2018/2019
	Outcome
Sanitation/sewerage: (above minimum level)	
Flush toilet (connected to sewerage)	1958
Flush toilet (with septic tank)	188
UDS	1604
Pit toilet (NOT ventilated)	248
Other toilet provisions (above min. service level)	0
Minimum Service Level and Above sub-total	3810
Minimum Service Level and Above Percentage	100.0%
Sanitation/sewerage: (below minimum level)	0
Bucket toilet	
Other toilet provisions (below min. service level)	0
No toilet provisions	0
Below Minimum Service Level sub-total	0
Below Minimum Service Level Percentage	0.0%
Total households	4307
T007	

TABLE 33: TOTAL EMPLOYEES PER SANITAION SERVICES - 2018/19 - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The table below indicates Capital Expenditure for Sanitation Services relating to the 2018/19 financial year

Capital Expenditure 2018/19 financial year: Sanitation Services					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total	R 6,563,003,38	-	R 9,723,892,90	(R 3,187,889,52)	R 18,859,651,79
Groblershoop and Sternham sewer reticulation pump station	R 3,793,903,99	-	R 4,268,482,61	(R 474,578,62)	R 9,530,959,40
Grootdrink sewer reticulation pump station	R 2,769,099,39		R 5,455,474,29	(R 2,686,374,90)	R 9,328,692,39
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 008

Below is the policy objectives taken from the IDP for the financial year under review:

Sanitation Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2017/2018		2018/2019	
		Target	Actual	Target	Actual
SO.2 To ensure efficient infrastructure and energy supply and improve our public relations thereby pledging that our customers are serviced with dignity	Providing 2160 households with basic sanitation services by 30 June 2019	Target not realistic	Target not realistic	2160	2583

TABLE 35: SANITAION SERVICE POLICY OBJECTIVES TAKEN FROM IDP

3.3 ELECTRICITY PROVISION

Electricity is provided by Eskom for the entire municipal area. For the year under review the design phase for 305 households in Duineveld, 125 in Opwag and 150 in Boegoeberg was completed. The project is funded through the Integrated National Electrification Program (INEP) aimed at connecting new households to the grid. The program has commenced in Opwag and material has already been supplied.

Electricity Service Delivery Levels	
Description	Household
	2018/19 Actual No.
Energy: (above minimum level)	2,898
Electricity (at least min. service level)	1,369
Electricity – Solar panels (min. service level)	4,267
Minimum Service Level and Above sub-total Minimum Service Level and Above Percentage	99.0%
Energy: (below minimum level)	–
Electricity (< min. service level)	–
Electricity - prepaid (< min. service level)	–
Other energy sources	
Below Minimum Service Level sub-total	–
Below Minimum Service Level Percentage	0.0%
Total number of households	4,267
	T010

3.4 WASTE MANAGEMENT

Currently the Municipality operates on Five (5) licensed landfill sites in Groblershoop, Wegraai, Topline, Grootdrink and Boegoeberg. In the 2017/2018 financial year the municipality applied for MIG funding to establish well-constructed compliant landfill sites.

The !Kheis Municipality is in the process of drafting its own Waste Management Plan, Policies and Implementation Plan which will be tabled to the Council in the 2019/2020 financial year. As part of the waste management plan process, relevant landfill sites will be designated as overloading stations with one compliant licensed landfill site.

The Waste Management Plan will be in line with the National Waste Strategy. The plan covers the following goals:

- Promote, educate and raise awareness towards integrated waste management
- Improve waste information
- Promote green technologies
- Ensure the effective and efficient delivery of integrated waste management services

Improve regulatory compliance

AREA	TYPE OF SERVICE /FREQUENCY	RECEPTACLES	Number of Households
Brandboom	Weekly	Plastic bags	609
Duineveld	Weekly	Plastic bags	305
Gariep	Weekly	Plastic bags	323
Groblershoop Town	Weekly	Plastic bags	100
Grootdrink	Weekly	Plastic bags	830
Opwag	Weekly	Plastic bags	112
Sternham	Weekly	Plastic bags	389
Topline	Weekly	Plastic bags	528
Uitbreiding 1	Weekly	Plastic bags	201
Uitbreiding 2	Weekly	Plastic bags	300
Wegdraai	Weekly	Plastic bags	636
Witblok	Weekly	Plastic bags	65
			4307

TABLE 43: TOTAL NUMBER OF EMPLOYEES PER SOLID WASTE MANAGEMENT SERVICES

Refuse Removal Service Delivery Levels	
Households	
Description	2018/19 Actual No.
<u>Solid Waste:</u> (minimum level)	4,307
Removal at least once a week	4,307
Minimum Service Level and Above sub-total Minimum Service Level and Above Percentage	100.0%
<u>Solid Waste:</u> (below minimum level)	
Removed less frequently than once a week	–
Using communal refuse dump	–
Using own refuse dump	–
Other rubbish disposal	–
No rubbish disposal	0.0%
Below Minimum Service Level sub-total	0.0%
Below Minimum Service Level Percentage	0.0%
Total number of households	
T012	

Below are the service policy objectives taken from the IDP for the financial year under review:

Service Objectives	Outline Service Targets	2017/2018		2018/2019	
		Target	Actual	Target	Actual
SO.2 To ensure efficient infrastructure and energy supply and improve our public relations thereby pledging that our customers are serviced with dignity.	Submission and approval 1 Waste Management policy by 30 June 2019.	New	New	Submission of a waste management policy	1 Approved Waste management policy
SO.2 To ensure efficient infrastructure and energy supply and improve our public relations thereby pledging that our customers are serviced with dignity.	Providing 3880 households with solid waste removal per annum by 30 June 2019	New	New	3880 Households	4298 households

3.5 HOUSING

The municipality has developed Human Settlement Plan which outlines the overall housing projects in the municipal area. The Human Settlement Plan entails the following technical work: -

- Geotechnical assessment
- Contour Survey
- Draft Planning Layout
- Bio-diversity assessment
- Bulk services Report
- Widened the existing urban edges

The municipality has developed a housing selection policy which was tabled to Council and approved. This policy regulates the housing waiting list and the allocation of housing. This policy enables the council to determine the demand for housing.

The policy also assists with the transfer of land to beneficiaries as title deed holders. The central objective of this policy is to achieve timeous transfer of title deeds to housing beneficiaries in new housing projects with the assistance of COGSTHA. Seven comprehensive business plans for each township were developed in partnership with V3 engineers and was approved by Council and submitted to COGSTHA.

The table below indicates Housing Backlog and provision in housing pipeline as per the Housing Pipeline and Pre-feasibility Report

Town	Waiting List	GAP Housing	Provided in pipeline
		R 3501-R 15 000	
Brandboom	213		
Gariep	80		
Groblershoop	510	94	
Grootdrink	150		
Opwag	200	Town establishment	
Topline	58		25
Wegdraai	200		50
TOTAL	1 411	94	75
T014			

The first 25 houses were allocated for Topline in the 2017/2018 financial year with another 50 for Wegdraai. Below is the service policy objectives taken from the IDP for the financial year under review:

Service Objectives	Outline Service Targets	2017/2018		2018/2019	
		Target	Actual	Target	Actual
SO 3. To facilitate sustainable economic empowerment for all communities within !Kheis and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development.	Handing over of 50 Tittle deeds by 30 June 2019.	New	New	Submission of 50 title deeds handed to beneficiaries	50 Title deeds handed over to beneficiaries

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

FBE supplied by Eskom and charging the municipality

Free Basic Services to Low Income Households										
	Number of households									
	Total	Households earning less than R2,560 per month								
		Free Basic Water			Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2016/17	-	3400	1,556	45.5%	1,556	45.5%	1,556	26%	1,556	45.5%
2017/18	5,656	3560	978	27.5%	978	27.5%	978	27.5%	978	27.5%
2018/19	5,656	3560	964	27%	964	27%	964	27%	964	27%
										T

TABLE 52: FINANCIAL PERFORMANCE OF FREE BASIC SERVICES - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

COMPONENT B: ROADS AND STORM WATER

3.7 ROADS

The road infrastructure in the municipality is mainly gravel roads with only 16 kilometers paved. Extended Public Works funding was utilized to pave approximately 600 meters of the main street linking the town to N10 and acting as a connecting road the CBD, the police station and the municipal offices. Plans are in place to also upgrade Visser street which connects the town to the Post Office and Home Affairs. The road will also serve as a buffer to the planned shopping complex earmarked opposite the post office which has been delayed because Eskom cannot guarantee addition supply.

The table below indicates Capital Expenditure for Road Services relating to the 2018/19 financial year

Capital Expenditure 2018/19 financial year: Road Services					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R4,576,634.28	-	R 1,130,485.00	R 3,446,149,28	
Internal Streets Sternham Phase 4	R 3,576,634.28	R 3,576,634.28	R 161,714.33	R 3,414,919,95)	R 3,576,634.28
Upgrading of Main Street in Groblershoop town	R1,000,000	R1,000,000-	R 968,770.67	96%	R1,000,000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 017

COMPONENT C: PLANNING AND DEVELOPMENT

3.8 PLANNING

The Municipality reviewed and adopted its Spatial Development Framework (SDF) in August 2015 and is in the process of developing a Land use Management Scheme (LUMS) with the assistance of the Department of Land Reform and Development which will be tabled to Council in April 2020. The purpose of the SDF is to give guidance for future development in each town and is limited within the urban edge of each town. The SDF will be reviewed with the adoption of the LUMS. The SDF makes specific recommendations concerning the following elements:

- Bio – regions;
- Spatial Planning Categories (SPCs) for Land Use Management;
- Sustaining the economy;
- Major infrastructure projects;
- Major Tourism Destinations;
- Land Reform;
- Urban Related Development

The table below indicates the number of applications for land use development relating to the 2018/19 financial year

Applications for land use development		
Detail		
	2017/18	2018/19
Planning application received	05	01
Determination made in year of receipt	05	01
Determination made in following year	0	0
Applications withdrawn	01	0
Applications outstanding at year end	0	01
		T020

3.9 LOCAL ECONOMIC DEVELOPMENT

The Local Economic Development (LED) Strategy together with the terms of reference (TOR) were approved in 2014. The LED strategy is outdated, and the Department of Economic Development and Tourism has approached assist with the review of the Strategy. The Department has already made a commitment to assist with the review in the coming financial year. The LED forum was fully functional for the year under review with three meeting taking place. The TORs are currently being reviewed and will be adopted in the next LED Forum. Expanded Public Works program (EPWP) and over the 2016/2017, 2017/2018 and 2018/2019 financial years, the municipality partially met the annual targets set for EPWP jobs:

The tables below indicate the Target, actuals and Grants Allocated targets for EPWP

EPWP WORK OPPORTUNITIES					
YEAR	TARGET	TARGET ACHIEVED	TARGET full time equivalent	ACHIEVED full time equivalent	GRANT ALLOCATED
2016/17	98	43			R1 000 000.00
2017/18	122	119	1	1*	R1 000 000.00
2018/19	135	59	1	1*	R1 000 000.00
					T021

*Full time data capturer for EPWP

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.10 LIBRARIES, COMMUNITY FACILITIES AND OTHER

The municipality renders the library service on an agency basis for the Provincial Government (DSAC) which is funded 100% through a grant. The municipality views the libraries as key to developing the human capital, encouraging people to equip themselves with knowledge and skills in order to lead quality lives.

The table below indicates library users and stock

Libraries	Users	Stock
Boegoeberg	100	R 80 000
Groblersthoop	350	R 600 000
Topline	80	R 40 000
Grootdrink	155	R 60 000
Gariep	40	R 30 000
		T023

3.11 CEMETERIES

The municipality has identified the need to develop new cemeteries due to capacity and life expectancy of the current cemeteries. The area (land) for the new cemeteries in Groblershoop and Topline has been identified. The process of re-zoning of the land is the first phase and will be tabled to council for approval. The Environmental Impact Assessment will be done on the approval of council.

COMPONENT E: DISASTER MANAGEMENT

3.12 DISASTER MANAGEMENT

!Kheis Municipality does not have a functional disaster management structure. The function is the competency of the District Municipality. However the Municipality do have an approved Disaster Management Plan and a Disaster Management Recovery Plan in place terms of the Section 53 Disaster Management Act.

COMPONENT F: SPORT AND RECREATION

3.13 SPORTS AND RECREATION

Supporting the growth of a culture of a healthy sporting society is important to the Municipality. Due to financial constrains the Municipality has put out the sporting field on a notarial lease to ensure effective maintenance and community participation. The Provincial Government Sport and Recreation is involved in supporting clubs within the !Kheis Municipal area. Supporting the growth of a culture of a healthy sporting society is important to the municipality and with its modest budget it maintains the following sports fields and has made a commitment in this budget and the next budget to commit resources for upgrading.

COMPONENT G: CORPORATE POLICY OFFICE AND OTHER SERVICES

3.14 INSTITUTIONAL TURNAROUND PLAN

Below are the key milestones reached for the period under review.

- Council has adopted and approved the final budget for the 2019/2020 financial year. The budget has been approved by National Treasury as mSCOA compliant.
- National Treasury in partnership with Provincial Treasury assisted the municipality to develop an Action Plan to address the key audit findings emanating from the Management Report of 2017/2018.
- We have managed to correct the configuration of the data strings on the Financial System which led to disclaimable items with Treasury.
- The parameters for reporting which led to incorrect Section 71 reports and C schedules have been corrected to depict a true reflection of the activities of the municipality.

3.15 OPERATION CLEAN AUDIT

- The municipality has with the assistance of Provincial Treasury designed an Audit Readiness Tool for the 2018/2019 financial year.
- The concept framework for the Annual Financial Statement (AFS) is already in place.
- The Audit Committee chaired by a Chartered Accountant has been approved by Council at its Special Council meeting on Friday, 28 June 2019.
- The AFS will be done internally with the assistance of Provincial Treasury and desktop review by National Treasury.

3.16 HUMAN RESOURCES

The municipality currently has 134 employees, of which 3 are Section 57 employees, 126 permanent and 5 contract employees. (Information provided by HR as at 15 May 2019)

In the 2018/2019 financial year, management initiated a process to review the macro-structure to ensure alignment with the municipal strategic objectives (IDP) to ensure compliance and effective and efficient service delivery. This exercise highlighted a number of critical areas that management needs to address to ensure optimal service delivery. Examples of these are as follows:

- Low morale
- Inadequate relevant skills levels
- Inadequate qualifications
- Lack of clarity regarding roles and responsibilities (middle management and supervisors)
- Lack of discipline

Some of the above concerns have subsequently been addressed in implementing the following initiatives:

- Job descriptions for all staff have been developed
- Training plans have been developed to identify skills needs.
- Workplace Skills Plan has been developed and will be implemented in the next financial year
- Present the code of conduct to staff

3.17 SKILLS TRANSFER

The following staff has completed the Minimum Municipal Competency Level qualification:

- Municipal Manager
- Chief Finance Officer
- Community Service Manager
- Technical Manager
- Head Supply Chain
- Manager Supply Chain
- Supply Chain Officer
- Assets Manager
- Assistant Account Expenditure
- Assistant Account Income
- Budget and Treasury Officer
- Budget and Treasury Manager
- Risk Officer
- Payroll Officer

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: EMPLOYEE TOTALS AND WORKFORCE

2018/19 Permanent Employees				
Description	2018/19			
	Approved Posts	Employees	Vacancies	Vacancies %
	No.	No.	No.	
Water	23	22	1	95
Waste Water (Sanitation)	6	6	0	100
Electricity	3	2	1	0
Waste Management	10	9	1	95
Housing	5	3	2	66
Technical Service	6	6	0	100
Transport / Vehicle Maintenance			0	0
Planning	2	2	0	100
Local Economic Development	2	2	0	100
Planning (Strategic & Regulatory) (ID)	2	2	0	100
Municipal Manager	15	10	5	50
Community & Social Services	16	13	3	81
Environmental Protection	2	0	2	100
Health			0	
Security and Safety (Traffic)	3	3	0	100
Sport and Recreation	0	0	0	0
Corporate Services	21	20	1	100
Finance	40	33	7	82
Totals	156	134	22	85

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.1. POLICIES

	Name of Policy	Completed	Date adopted by council
1	HR Plan		
2	Affirmative Action	NO	
3	Attraction and Retention	NO	
4	Code of Conduct for employees	YES	USE BCE-ACT REGULATIONS
5	Delegations, Authorization & Responsibility	YES	
6	Disciplinary Code and Procedures	YES	USE SALGBC AGREEMENTS
7	Essential Services	NO	
8	Employee Assistance / Wellness	NO	
9	Employment Equity	YES	
10	Exit Management	NO	
11	Grievance Procedures	YES	USE SALGBC AGREEMENTS
12	HIV/Aids	YES	
13	Human Resource and Development	YES	
14	Information Technology	YES	
15	Job Evaluation	NO	
16	Leave	YES	
17	Occupational Health and Safety	NO	
18	Official Housing	NO	
19	Official Journeys (S & T)	YES	
20	Official transport to attend Funerals	NO	
21	Official Working Hours and Overtime	NO	
22	Organizational Rights	NO	
23	Payroll Deductions	YES	
24	Performance Management and Development	YES	
25	Recruitment, Selection and Appointments	YES	
26	Remuneration Scales and Allowances	YES	
27	Resettlement	NO	

28	Sexual Harassment	YES	
29	Skills Development	YES	
30	Smoking	YES	
31	Special Skills (Scarce Skills)	YES	
32	Work Organization	NO	
33	Uniforms and Protective Clothing	YES	
T030			

4.2 INJURIES AND SICKNESS

Number and Cost of Injuries on Duty 2018/19					
Type of injury	Injury Leave Taken Days	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
		No.	%	Days	R'000
Required basic medical attention only (Temporary Workers)	0	0	0	0	Information not available
Temporary total disablement	0	0	0	0	Information not available
Permanent disablement	0	0	0	0	Information not available
Fatal	0	0	0	0	Information not available
Total	0	0	0	0	0
					T 031

4.3 DISCIPLINE

Number and Period of Suspensions 2018/19				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Water Quality Manager	Gross insubordination and negligence	28-02-2019	Employee suspended until case finalised	
Planning and Development Manager	Gross misconduct	01-02-2019	Employee suspended until case finalised	
Manager in Mayor Office	Gross misconduct	01-02-2019	Employee suspended until case finalised	
Town Planner	Fraud	30-07-2019 (Late suspension due to investigation)	Employee suspended until case finalised	Hearing set down on 29/08/2019
Manager Electrical and Mechanical	Fraud	30-07-2019 (Late suspension due to investigation)	Employee suspended until case finalised	Hearing set down on 29/08/2019
Acting Human Resource Manager	Gross insubordination and negligence	31-03-2019	Employee dismissed and Contract terminated	25-08-2019
				T 033

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Town Planner	Fraud	Employee suspended until case finalised	Hearing set down on 29/08/2019
Manager Electrical and Mechanical	Fraud	Employee suspended until case finalised	Hearing set down on 29/08/2019

4.4 PERFORMANCE REWARDS

The performance management system has not yet been developed to include other officials than the section 56 and 57 senior managers. For the 2018/19 financial year no performance evaluations were performed and no performance rewards were paid.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The Work Skills Plan is in place and has been approved. The following courses were presented in 2018/19:

Course	Number of officials
Councilors	7
Middle Management	5
Occupational Directed Education and Development Programs	1
Disciplinary and initiators course	2
Dealing with new trade unions	3
LLF Training	4

CHAPTER 5 - FINANCIAL PERFORMANCE

The annual financial statements have been compiled within the prescribed period and are attached hereto as Component A. The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003)

Component A: Statement of Financial Performance – Refer to annual financial statements ((ANNEXURE A - ORIGINAL DOCUMENT))

Component B: Spending against Capital Budget – Refer to annual financial statements. (ANNEXURE A - ORIGINAL DOCUMENT)

Component C: Cash flow Management and Investments – Refer to annual financial statements. (ANNEXURE A - ORIGINAL DOCUMENT)

Component D: Other Financial Matters – Refer to annual financial statements. (ANNEXURE A- ORIGINAL DOCUMENT)

CHAPTER 6 - AUDITOR GENERAL FINDING

COMPONENT A: AUDITOR GENERALS OPINION ON FINICIAL STATEMENTS 2018/19

Audit activities by the Auditor-General are ongoing, based on the preparation and submission of the Annual Financial Statements. !Kheis Municipality received a Disclaimer Audit Opinion for the year under review. Please find attached audit report.

6.1 AUDIT REPORT: 2017/18 (ANNEXURE B - ORIGINAL DOCUMENT)

6.2 AUDIT REPORT: 2018/19 (ANNEXURE C - ORIGINAL DOCUMENT)

CONCLUSION

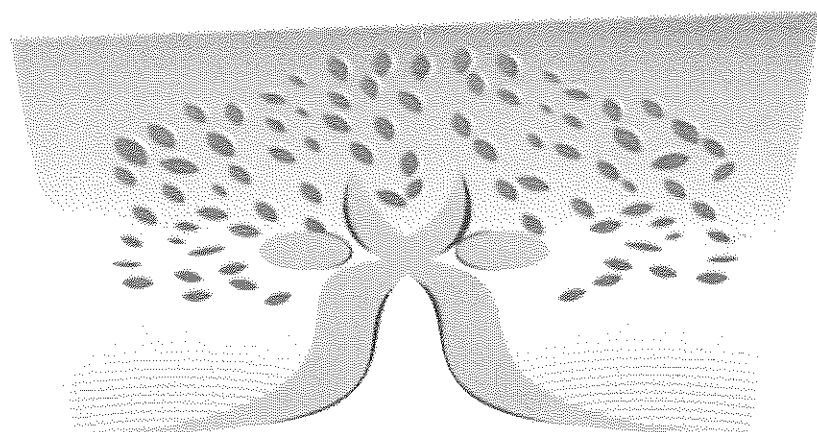
The organogram of the municipality for the year under review was one of the most archaic ones any Plenary Municipality has adopted. The total salary as a percentage of the Operational Expenditure stood at fifty three percent (53%) with six Section 57 managers including the Municipal Manager.

The journey towards the turnaround of the municipality required 'saam trek' and 'saam werk' ranging from employees, Coghsta, Provincial Treasury and other stakeholders directly affected by the business of the municipality. We could develop the best battle plan but if we don't have cadres with the requisite skills and expertise to execute the plan, the plan will not be worth its weight on paper.

The situation in the municipality is turning around despite the many challenges. The morale of the staff has improved, organised labour is supportive of management's initiatives and the community irrespective of socio-economic circumstance is beginning to play an active part in the affairs of the municipality.

The turnaround initiatives in the short and immediate term are being implemented and the next year we will report on progress made towards the implementation of the Turnaround Strategy including progress registered towards the development of a Financial Recovery Plan with the support of the National and Provincial Treasuries.

The Annual Performance therefore represents a synopsis of work in progress towards turning the municipality around so that it can deliver services according to its Constitutional injunction.

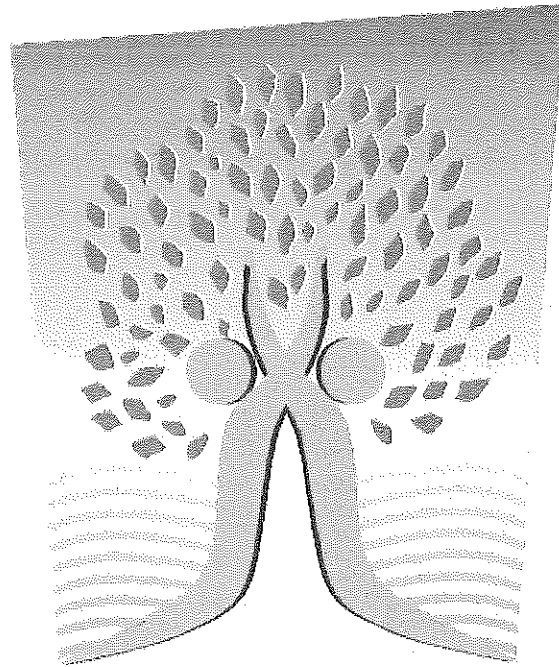


! Kheis
Munisipaliteit
Municipality

ANNEXURE A

FINANCIAL STATEMENTS

2018/2019



!Kheis

Munisipaliteit
Municipality

Financial statements

for the year ended 30 June 2019

GENERAL INFORMATION

Legal form of entity	!Kheis Local Municipality is a Category B municipality (local municipality) as defined by the Municipal Structures Act (Act no. 117 of 1998)
Nature of business and principal activities	!Kheis Local Municipality is a local municipality performing its functions as set out in the Constitution (Act no. 105 of 1996)
Jurisdiction	!Kheis Municipality includes the areas Grootdrink, Gariep, Topline, Wegdraai, Opwag, Groblershoop and Boegoeberg
Members of Council	
Mayor	Cllr AL Diergaardt
Councillors	Cllr S Esau Cllr K Esau Cllr E Cloete Cllr G Beukes Cllr J Silo Cllr A Tobias
Capacity of local authority	Low capacity municipality
Accounting Officer	F Leeuw Acting Municipal Manager
Chief Financial Officer (CFO)	D Block Chief Financial Officer
Registered Office	97 Orange Street Groblershoop 8850
Business address	97 Orange Street Groblershoop 8850
Postal address	PO Box 178 Groblershoop 8850
Bankers	First National Bank Groblershoop 8850
Telephone number:	054 833 9500
Fax number:	054 833 9509
E-mail address:	tedishe@gmail.com

IKheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

IKheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

General information (continued)**Auditors**

Auditor - General
Private Bag X5013
Kimberley
8300

Attorneys

Becker Bergh and Moore

Enabling Legislation

Local Government: 'Municipal Finance Management Act
(Act no 56 of 2003)
Local Government: Municipal Systems Act (Act no 32 of
2000)
Local Government: Municipal Structures Act (Act no 117 of
1998)
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Standard Chart of Accounts
Division of Revenue Act (Act 6 of 2011)
Municipal Planning and Performance Management
Regulations Water Service Act (Act 108 of 1997)
Housing Act (Act no 107 of 1997)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Skills Development Levies Act (Act 9 of 1999)
Unemployment Insurance Act (Act no 30 of 1966)
Employment Equity Act (Act 55 of 1998)
Electricity Act (Act no 41 of 1987)
The Income Tax Act
Value Added Tax Act
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature.

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Abbreviations

COID	Compensation of Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
IAS	International Accounting Standard
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (previously CMIP)
MSIG	Municipal Systems Improvement Grant
DWA	Department of Water Affairs
FMG	Financial Management Grant

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

It is acknowledged that the accounting officer is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, standards are set for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

In my opinion as accounting officer and based on the information and explanations given by management, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I reviewed the municipality's cash flow forecast for the year to 30 June 2019 and its financial position as at 30 June 2018, and, in my opinion, the municipality is sound enough financially to be able to continue its service obligations to its community. The mandate of the municipality is encapsulated in Section 152 of the Constitution of the Republic of South Africa. In my opinion the municipality still falls short of delivering services in accordance with its Constitutional injunction, however it being a not for profit entity gives me comfort that it will continue to be able to deliver on its mandate. This is more so that we have improved on efficiencies, reduced employee costs and have improved our control environment.

The accounting officer is responsible for the preparation of these financial statements, which are set out on pages 1 to 84 in terms of section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality. In the year under review and after many years of using external consultant to prepare and compile the AFS, the Accounting Officer took a bold decision that these statements will be compiled internally.

I certify that salaries, allowances and benefits of Councillors as disclosed in note 25 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the constitution, read with the remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on pages 1 - 83 which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2019 and were signed on its behalf by:



JTF Leeuw
Acting Municipal Manager

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2019

1. Review of activities

Main business and operations

The municipality is engaged in providing municipal services in accordance with the objects of local government as encapsulated in Section 152 of the Constitution and operates principally in the Northern Cape Province in South Africa.

The operating results and the state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comments.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. Key among these is the quality and caliber of senior management charged with implementing the Service Delivery and Budget Implementation Plans of the municipality. The ability to take stock of the processes

Cash flow was an impediment to delivery services in accordance with the Constitutional injunction moreso that over R6million had to be returned to the National Revenue Fund due to non-compliance with DORA by my predecessor. This also had a direct impact on the ability of the municipality to service third party debt.

3. Accounting policies

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

4. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:



JTF Leeuw

Nationality
RSA Citizen

IKheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements**IKheis Local Municipality**

Annual Financial Statements for the year ending 30 June 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	Restated 2018
Assets			
Current assets			
Other financial assets	5	113 619	105 730
Inventories	6	178 429	286 401
Other receivables from non-exchange transactions	7	4 038 674	6 197 153
VAT receivable	8	1 006 364	1 029 348
Trade and other receivables from exchange transactions	9	10 660 713	8 844 709
Cash and cash equivalents	10	3 434 674	92 996
		19 432 473	16 556 337
Non-current assets			
Property, plant and equipment	4	166 873 540	161 351 423
		166 873 540	161 351 423
Total assets		186 306 013	177 907 760
Liabilities			
Current liabilities			
Unspent conditional grants and receipts	12	3 180 244	7 108 244
Short-term portion of Long Service Awards	14	12 440	12 440
Payables from exchange transactions	15	29 798 646	19 951 238
VAT payable	8	-	-
Current portion of non-current liabilities	16	874 830	874 830
Consumer deposits	17	94 795	90 031
		33 960 955	28 036 783
Non-current liabilities			
Finance lease obligation	11	1 559 748	2 377 908
Long-term portion of Long Service Awards	14	431 615	269 607
Provisions	13	5 416 113	4 089 111
		7 407 476	6 736 625
Total liabilities		41 368 432	34 773 408
Net assets		144 937 582	143 134 353
Accumulated surplus / (deficit)		144 937 582	141 064 575
Total net assets		144 937 582	141 064 575

IKheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Statement of Changes in Net Assets

Figures in Rand	Accumulated Surplus	Total net assets
Balance at 01 July 2015	142 213 675	142 213 675
Changes in nett assets	-	-
Prior Adjustment	(3 111 056)	(3 111 056)
Surplus for the year	7 903 031	7 903 031
Total changes	4 791 975	4 791 975
Balance at 30 June 2016	147 005 650	147 005 650
Changes in nett assets	-	-
Prior Adjustment	115 722	115 722
Surplus for the year	(1 785 182)	(1 785 182)
Total changes	(1 669 459)	(1 669 459)
Balance at 30 June 2017	145 336 190	145 336 190
Changes in nett assets	-	-
Prior Adjustment	(1 874 746)	(1 874 746)
Surplus for the year	-	-
Total changes	(1 874 746)	(1 874 746)
Balance at 30 June 2018	141 064 575	141 064 575
Changes in nett assets	-	-
Prior Adjustment	-	-
Surplus for the year	3 873 007	3 873 007
Total changes	3 873 007	3 873 007
Balance at 30 June 2019	144 937 582	144 937 582

IKheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

Annual Financial Statements for the year ending 30 June 2019

Statement of Financial Performance

Figures in Rand	Note (s)	2019	Restated 2018
Revenue			
Sale of goods		402 217	204 442
Rental of facilities and equipment		275 081	465 319
Property rates	19	5 892 176	4 527 683
Service charges	20	8 839 265	9 904 817
Government grants & subsidies	21	46 384 835	42 013 699
Licenses and permits		390 557	172 168
Other income	22	41 515	755 184
Interest received - consumer accounts	27	3 857 153	3 607 909
Interest received - investment	27	150 657	289 512
Total revenue	18	66 233 455	61 940 734
Expenditure			
Personnel	24	(33 101 260)	(26 978 185)
Remuneration of councillors	25	(2 719 179)	(2 743 454)
Debt impairment	26	(3 459 243)	(8 861 177)
Depreciation and amortisation	28	(9 762 416)	(9 321 079)
Finance costs	29	(596 735)	(652 739)
Grants and Subsidies Paid - MSIG Expenditure	31	-	-
Repairs and maintenance		(1 891 052)	(871 232)
Bulk purchases	32	(1 320 966)	(1 200 242)
General expenses	23	(9 509 598)	(13 709 301)
Total expenditure		(62 360 448)	(64 337 409)
Operating (deficit) surplus		3 873 007	(2 396 676)
Gain on non-current assets held for sale or disposal groups		-	2 069 581
(Deficit) surplus for the year		3 873 007	(327 095)

IKheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

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Annual Financial Statements for the year ending 30 June 2019

Cash Flow Statement

Figures in Rand	Note (s)	2019	Restated 2018
Cash flows from operating activities			
Receipts			
Taxation / Sale of goods and services		4 859 413	5 410 109
Grants		46 384 835	42 013 699
Interest income from investing activities		150 657	289 512
Interest received from trading activities		3 857 153	3 607 909
		<u>55 252 058</u>	<u>51 321 230</u>
Payments			
Employee costs		(35 820 438)	(29 721 639)
Suppliers		(12 721 617)	(13 970 898)
Finance costs		(596 735)	(652 739)
Other payments		<u>(49 138 789)</u>	<u>(44 345 276)</u>
Net cash flows from operating activities	33	<u>6 113 269</u>	<u>6 975 954</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(204 600)	-1 004 469
Proceeds from sale of property, plant and equipment	4		
Purchase from other intangible assets	5	-	-
		<u>(204 600)</u>	<u>(1 004 469)</u>
Net cash flows from investing activities		<u>(204 600)</u>	<u>(1 004 469)</u>
Cash flows from financing activities			
Finance lease written off/New finance leases		1 048 583	(4 242 007)
Transfer to payables from exchange transactions			
Finance lease payments		(818 160)	-1 945 869
		<u>230 423</u>	<u>(6 187 876)</u>
Net cash flows from financing activities		<u>230 423</u>	<u>(6 187 876)</u>
Net increase / (decrease) in net cash and cash equivalents		6 139 092	(216 391)
Cash and cash equivalents at beginning of year		92 996	309 387
Cash and cash equivalents at end of the year	10	<u>3 434 674</u>	<u>92 996</u>

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue by source						
Property rates	4 367 871	0	4 367 871	5 892 176	1 524 305	Implementation of revenue enhancement programme
Service charges	8 971 150	-541 607	8 429 543	8 839 265	409 722	Less: Indigents had been registered for the period under review
Investment revenue	280 100	166 900	447 000	150 657	-296 343	
Transfers recognised - operational	27 328 000	571 200	27 899 200	26 316 024	-1 583 176	National Treasury: AG payments
Other own revenue	4 312 256	1 713 483	6 025 739	4 966 523	-1 059 216	Implementation of revenue enhancement programme only as well as implementation of contracts for outstanding debts
Total revenue (excluding capital transfers and contributions)	45 259 376	1 909 977	47 169 353	46 164 644	-1 004 709	
Expenditure by type						
Employee costs	28 963 741	-102 489	28 861 252	33 101 260	4 240 007	Budget incorrect - not budgeted for the cost order of the 32 workers
Remuneration of councillors	3 099 156	0	3 099 156	2 719 179	-379 977	Budget incorrect - not adequately budgeted for upper limits
Debt impairment	-	5 884 000	5 884 000	3 459 243	-2 424 757	Council embarked on a process of debtors cleansing, hence the large impairment
Depreciation and asset impairment	4 531 566	0	4 531 566	9 762 416	5 230 850	Incorrect budget - FAR was not part of the SAMRAS assets management software
Finance charges	-	-	-	596 735	596 735	New Nashua Leases
Materials and bulk purchases	3 437 618	-40 000	3 397 618	1 320 966	-2 076 652	The cash flow challenges faced during the financial year contribute towards non payment of the Water board
Transfers and grants	-	1 338 000	1 338 000	-	-1 338 000	These expenses had been paid from other operational budget votes
Other expenditure	19 689 851	-6 033 392	13 656 459	11 400 650	-2 255 809	The cash flow challenges faced during the financial year contribute towards non payment of other commitments, but are included in the outstanding creditors list
Total expenditure	59 721 932	1 046 120	60 768 052	62 360 448	1 592 396	
Surplus/(Deficit)	-14 462 556	863 857	-13 598 699	-16 195 805	-2 597 106	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Transfers recognised - capital	14 567 000	4 500 000	19 067 000	20 067 000	1 000 000	The expenses for EPWP had been not been included as capital expenses, but the surface of the road as a capital assets had been done under this programme
Surplus (Deficit) after capital transfers and contributions	104 444	5 363 857	5 468 301	3 871 195	-1 597 106	
Surplus/(Deficit) for the year	104 444	5 363 857	5 468 301	3 871 195	-1 597 106	
Reconciliation						
Statement of Financial Position						
Assets						
Current Assets						
Cash	650 000	-	650 000	3 548 293	2 898 293	An amount of R1 742 495, 26, salaries not precessed had been included in the bank. Also the roll over for WSG and MIG portions were in the investment accounts
Consumer debtors	27 179 000	-	27 179 000	14 889 387	-12 479 613	Impairment and VAT disclosure
VAT	-	-	-	1 006 364	1 006 364	VAT that was only provided to be paid in the new financial year
Current portion of long-term receivables	-	-	-	-	-	
Inventory	-	-	-	178 429	178 429	Stock take at year and previously expensed
	27 829 000	-	27 829 000	19 432 473	-8 396 527	
Non-Current Assets						
Property, Plant and Equipment	190 940 491	-	190 940 491	166 873 540	-24 066 950	Prior year adjustments updated FAR
Intangible	-	-	-	-	-	
	190 940 491	-	190 940 491	166 873 540	-24 066 950	
Total Assets	218 769 491	-	218 769 491	186 306 013	-32 463 477	
Liabilities						
Current Liabilities						
Bank overdraft	-	-	-	-	-	
Borrowing	-	-	-	-	-	Short term portion of borrowings
Consumer deposits	-	-	-	94 795	94 795	Incorrect budget
Trade and other payables	8 504 000	-	8 504 000	29 798 646	21 294 646	VAT payable on payment basis now disclosed
Provisions	-	-	-	5 860 168	5 860 168	These are normally not budgeted for, but forms part of the disclosure items. The expenses for the landfill sites is covered under contracted services
Other current liabilities	-	-	-	4 055 073	4 055 073	Short term portion of borrowings - Nashua leases
	8 504 000	-	8 504 000	39 808 683	31 304 683	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Non-Current Liabilities						
Borrowing	3 761 363	-	3 761 363	1 559 748	-2 201 615	Nashua leases
	3 761 363	-	3 761 363	1 559 748	-2 201 615	
Total Liabilities	12 265 363	-	12 265 363	41 368 431	29 103 068	
Net Assets	206 504 128	-	206 504 128	144 937 583	-61 566 545	
Community wealth/equity						
Accumulated Surplus/(deficit)	206 504 202	-	206 504 202	144 937 582	-61 566 620	Prior year adjustments updated FAR
Total community wealth/equity	206 504 202	-	206 504 202	144 937 582	-61 566 620	

Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2017											
Financial Performance											
Property rates	4 367 871	0	4 367 871	-	-	4 367 871	5 892 176	-	-1 524 305	135%	135%
Service charges	8 971 150	-541 607	8 429 543	-	-	8 429 543	8 839 265	-	-409 722	105%	99%
Investment revenue	280 100	166 900	447 000	-	-	447 000	150 657	-	296 343	34%	54%
Transfers recognised - operational	27 328 000	571 200	27 899 200	-	-	27 899 200	26 316 024	-	1 583 176	94%	96%
Other own revenue	4 312 256	1 713 483	6 025 739	-	-	6 025 739	4 966 523	-	1 059 216	82%	115%
Total revenue (excluding capital transfers and contributions)	45 259 376	1 909 977	47 169 353	-	-	47 169 353	46 164 644	-	1 004 709	98%	102%
Employee costs	28 963 741	-102 489	28 861 252	-	-	28 861 252	33 101 260	-	-4 240 007	115%	114%
Remuneration of councillors	3 099 156	0	3 099 156	-	-	3 099 156	2 719 179	-	379 977	88%	88%
Debt impairment	-	5 884 000	5 884 000	-	-	5 884 000	3 459 243	-	2 424 757	59%	#DIV/0!
Depreciation and asset impairment	4 531 566	0	4 531 566	-	-	4 531 566	9 762 416	-	-5 230 850	215%	215%
Finance charges	-	-	-	-	-	-	596 735	-	-596 735	#DIV/0!	#DIV/0!
Materials and bulk purchases	3 437 618	-40 000	3 397 618	-	-	3 397 618	1 320 966	-	2 076 652	39%	38%
Transfers and grants	-	1 338 000	1 338 000	-	-	1 338 000	-	-	1 338 000	0%	#DIV/0!
Other expenditure	19 689 851	-6 033 392	13 656 459	-	-	13 656 459	11 400 650	-	2 255 809	83%	58%
Total expenditure	59 721 932	1 046 120	60 768 052	-	-	60 768 052	62 360 448	-	-1 592 396	103%	104%
Surplus/(Deficit)	-14 462 556	863 857	-13 598 699	-	-	-13 598 699	-16 195 805	-	2 597 106	-0	-0

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IKheis Local Municipality
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Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget adjustments	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	14 567 000	4 500 000	19 067 000	-		19 067 000	20 067 000		-1 000 000	105%	138%
Surplus (Deficit) after capital transfers and contributions	104 444	5 363 857	5 468 301	-		5 468 301	3 871 195		1 597 106	100%	135%
Surplus/(Deficit) for the year	104 444	5 363 857	5 468 301	-		5 468 301	3 871 195		1 597 106	100%	135%
Capital expenditure and funds sources											
Total capital expenditure	-	-	-	-		-	-		-	0%	0%
Cash flows											
Net cash from (used) operating	-6 303 853	-	-6 303 853	-		-6 303 853	6 113 269		-12 417 122	-97%	-97%
Net cash from (used) investing	16 905 000	-	16 905 000	-		16 905 000	-204 600		17 109 600	-1%	-1%
Net cash from (used) financing	-	-	-	-		-	230 423		-230 423	#DIV/0!	#DIV/0!
Net increase/(decrease) in cash and cash equivalents	10 601 147	-	10 601 147	-		10 601 147	6 139 092		4 462 055	#DIV/0!	#DIV/0!
Cash and cash equivalents at the beginning of the year	-1 097 000	-	-1 097 000	-		-1 097 000	92 996		-1 189 996	-8%	-8%
Cash and cash equivalents at year end	9 504 147	-	9 504 147	-		9 504 147	6 232 088		3 272 059	66%	66%

1.1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

1.1.1 Changes in Accounting Policy and Comparability

Accounting Policies have been consistently applied, except where otherwise indicated below.

For the years ended 30 June 2014 and 30 June 2015 the municipality has adopted the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

The municipality changes an Accounting Policy only if the change:

- (a) Is required by a Standard of GRAP; or
- (b) Results in the Annual Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the municipality's financial position, financial

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the annual financial statements.

1.1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statement. Significant judgement include:

1.1.2.1 Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.1.2.2 Allowance for slow moving, damaged and obsolete stock

An allowance is made for slow-moving, damaged and obsolete inventory to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the statement of financial performance.

Notes to the Annual Financial Statements

1.1.2 Significant judgements and sources of estimation uncertainty (Continued)

1.1.2.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The carrying less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

1.1.2.4 Provisions and contingent liabilities

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

1.1.2.5 Useful lives of property, plant and equipment and intangible assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

1.1.2.6 Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.1.2.7 GRAP 24: Presentation of Budget information

The municipality is required to present a comparison of the budget amounts for which it is held publicly accountable. The comparison of budget and actual amounts present separately for each level of legislative oversight:

- the approved and final budget
- the adjustment budget
- the actual amounts on a comparative basis

1.1.2.8 Revenue Recognition

Accounting Policy 11.2 on *Revenue from Exchange Transactions* and Accounting Policy 11.3 on *Revenue from Non-exchange Transactions* describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (*Revenue from Exchange Transactions*) and GRAP 23 (*Revenue from Non-exchange Transactions*). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.1.2.9 Financial Assets and Liabilities

The classification of Financial Assets and Liabilities, into categories, is based on judgement by management. Accounting Policy 8.1 on *Financial Assets Classification* and Accounting Policy 8.2 on *Financial Liabilities Classification* describe the factors and criteria considered by the management of the municipality in the classification of Financial Assets and Liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of Financial Instruments as set out in GRAP 104 (*Financial Instruments*).

1.1.2 Significant judgements and sources of estimation uncertainty (Continued)

1.1.2.10 Impairment of Financial Assets

Accounting Policy 8.4 on *Impairment of Financial Assets* describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of Financial Assets as set out in GRAP 104 (*Financial Instruments*) and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- **Impairment of Trade Receivables:**

The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

1.1.2.11 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 3.3, 4.2 and 5.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1.1.2.12 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, Investment Property, Heritage Assets and Inventories

Accounting Policy 7 on *Impairment of Assets*, Accounting Policy 4.2 on *Intangible Assets – Subsequent Measurement, Amortisation and Impairment* and Accounting Policy 9.2 on *Inventory – Subsequent Measurement* describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21 (Impairment of Non-cash Generating Assets) and GRAP 26 (Impairment of Cash Generating Assets). In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

1.1.2.13 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end. Refer to Accounting Policy 6 - Inventory.

1.1.2.14 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

IKheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

1.1.2 Significant judgements and sources of estimation uncertainty (Continued)

1.1.3 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.1.4 Going Concern Assumption

The Annual Financial Statements have been prepared on a *Going Concern Basis*.

1.1.5 Offsetting

Assets, Liabilities, Revenues and Expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1. 1.6 Standards, Amendments to Standards and Interpretations issued but not yet Effective

The ASB Directive 5, paragraph 29, sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy as set out in the standard of GRAP 3 on *Accounting Policies, Changes in Accounting Estimates and Errors*.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued but is not yet in effect, the municipality may select to apply the principles established in that standard in developing an appropriate Accounting Policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The municipality applied the principles established in the following Standards of GRAP that have been issued but are not yet effective, in developing appropriate Accounting Policies dealing with the following transactions, but have not early adopted these Standards:

GRAP 18 Segment Reporting is effective from 1 April 2015. The implementation of GRAP 18 is delayed, in terms of Directive 5, for municipalities for the 2017/18 financial year and municipalities are not required to apply or early adopt GRAP 18. The implementation date of GRAP 18 is 1 April 2019.

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE	Expected impact:
• GRAP 18	Segment Reporting - issued March 2005	01 April 2019	No significant impact is expected
			The Municipality resolved to adopt the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.
• GRAP 20	Related Party Disclosures (Revised)	01 April 2019	
• GRAP 32	Service Concession Arrangement Grantor	01 April 2019	No significant impact is expected
	Transfers between Entities under common		
• GRAP 105	control - issued November 2010	01 April 2019	No significant impact is expected
	Transfers between Entities not under		
• GRAP 106	common control - issued November 2010	01 April 2019	No significant impact is expected
• GRAP 107	Mergers - issued November 2010	01 April 2019	No significant impact is expected
			The Municipality has resolved to adopt the principles as set out in GRAP 108 to formulate its own accounting policy,
• GRAP 108	Statutory Receivables	01 April 2019	
• GRAP 109	Accounting by Principles and Agents	01 April 2019	No significant impact is expected
• GRAP 110	Living and Non-Living resources	01 April 2020	No significant impact is expected
• IGRAP 17	Service Concession Arrangement Grantor	Unknown	No significant impact is expected

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Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

Notes to Property, Plant and Equipment (Continued)

1.2.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, Plant and Equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grants or donations, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of Property, Plant and Equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

1.2.2 Subsequent Measurement

Subsequent expenditure relating to Property, Plant and Equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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Notes to the Annual Financial Statements

1.2.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the *Straight-line Method*, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation only commences when the asset is available for use, unless stated otherwise. The depreciation rates are based on the following estimated useful lives:

The useful lives of items of property, plant and equipment have been assessed as follows:

Buildings

- Buildings	25-30 Years
- Improvements	25-30 Years
- Recreational Facilities	20-30 Years

Infrastructure

- Roads and paving	30 Years
- Pedestrian malls	15-30 years
- Electricity	15-20 years
- Water resevoirs	30-50 years
- Sewerage pump stations	30-55 years
- Housing	25-30 years

Other property, plant and equipment

- Specialist vehicles	5-10 years
- Other vehicles	4-7 years
- Office equipment	5-7 years
- Furniture and Fittings	5-7 years
- Bins and containers	5 years
- Specialized plant and equipment	10-15 years
- Other plant and equipment	2-5 years
- Landfill sites	10 - 15 years
- Lease hold property	3-5 years
- Security	3-5 years

The assets' residual values, estimated useful lives and depreciation method are reviewed annually and adjusted prospectively, if appropriate, at each reporting date. Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

1.2.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

1.2.5 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure Assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure Assets are treated similarly to all other assets of the municipality in terms of the Asset Management Policy.

Notes to the Annual Financial Statements

1.2. Property, plant and equipment (continued)

1.2.6 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.2.7 Leased Assets

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the municipality or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

1.2.8 Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the proceeds from disposals are included in the Statement of Financial Performance as a gain or loss on disposal of Property, Plant and Equipment.

1.3. Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Notes to the Annual Financial Statements

Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.4. Financial Instruments Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Notes to the Annual Financial Statements

1.4. Financial Instruments Classification (continued)

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Consumer deposits are subsequently recorded in accordance with the accounting policy of trade and other payable.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

Fair value information for trade and other receivables is determined as the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The fair values of quoted investment are based on current bid prices

If the market for a financial asset is not active (and for unlisted securities) , municipality established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs.

The Effective Interest Rate Method

The Effective Interest Method is a method of calculating the amortised cost of a Financial Asset or a Financial Liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the Financial Instrument or, when appropriate, a shorter period to the net carrying amount of the Financial Asset or Financial Liability.

Amortised Cost

Amortised Cost is the amount at which the Financial Asset or Financial Liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation, using the Effective Interest Rate Method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

1.4.1 Impairment of financial assets

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

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Notes to the Annual Financial Statements**1.4. Financial Instruments Classification (continued)****1.4.1 Impairment of financial assets (Continued)**

- **Financial Assets measured at Amortised Cost** are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market. They are included in Current Assets, except for maturities greater than 12 months, which are classified as Non-current Assets. Financial Assets at Amortised Cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. After initial recognition, Financial Assets are measured at amortised cost, using the *Effective Interest Rate Method* less a provision for impairment.
- **Financial Assets measured at Fair Value** are financial assets that meet either of the following conditions:
 - (i) Derivatives;
 - (ii) Combined instruments that are designated at fair value;
 - (iii) Instruments held for trading;
 - (iv) Non-derivative Financial Instruments with fixed or determinable payments that are designated at fair
 - (v) Financial Instruments that do not meet the definition of Financial Instruments at Amortised Cost or
- **Financial Assets measured at Cost** are investments in residual Interest that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

The municipality has the following types of Financial Assets as reflected on the face of the Statement of Financial Position or in the Notes thereto:

Type of Financial Asset	Classification in terms of GRAP
Non-current Investments	Financial Assets at Amortised Cost
Long-term Receivables	Financial Assets at Amortised Cost
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Notice Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Call Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Bank	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Cash	Financial Assets at Fair Value
Current Portion of Non-current Investments	Financial Assets at Amortised Cost
Current Portion of Long-term Receivables	Financial Assets at Amortised Cost

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). Cash Equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, which are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts. The municipality categorises Cash and Cash Equivalents as Financial Assets at Amortised Cost.

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Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements (continued)

1.4.2 Financial Liabilities – Classification (Continued)

A Financial Liability is a contractual obligation to deliver cash or another Financial Assets to another entity.

There are three main categories of Financial Liabilities, the classification determining how they are measured. Financial Liabilities may be measured at:

- (i) Financial Liabilities measured at Fair Value;
- (ii) Financial Liabilities measured at Amortised Cost; or
- (iii) Financial Liabilities measured at Cost.

The municipality has the following types of Financial Liabilities as reflected on the face of the Statement of Financial Position or in the Notes thereto:

Type of Financial Asset	Classification in terms of GRAP
Long-term Liabilities	Financial Liabilities at Amortised Cost
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Payables from Non-exchange Transactions	Financial Liabilities at Amortised Cost
Bank Overdraft	Financial Liabilities at Amortised Cost
Short-term Loans	Financial Liabilities at Amortised Cost
Current Portion of Long-term Liabilities	Financial Liabilities at Amortised Cost

Financial Liabilities that are measured at Fair Value are Financial Liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of Financial Instruments where there is recent actual evidence of short-term profiteering or are derivatives).

Bank Overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.4.3 Initial and Subsequent Measurement

1.4.3.1 Financial Assets:

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the *Effective Interest Method* less any impairment, with interest recognised on an *Effective Yield Basis*.

Trade and Other Receivables (excluding Value Added Taxation, Prepayments and Operating Lease receivables), Loans to Municipal Entities and Loans that have fixed and determinable payments that are not quoted in an active market are classified as *Financial Assets at Amortised Cost*.

Financial Assets measured at Fair Value

Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.4.3.2 Financial Liabilities:

Financial Liabilities measured at Fair Value

Financial Liabilities at Fair Value are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

!Kheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

1.4. Financial Instruments Classification (continued)

Financial Liabilities held at Amortised Cost (Continued)

Any other Financial Liabilities are classified as *Other Financial Liabilities* (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the *Effective Interest Rate Method*. Interest expense is recognised in the Statement of Financial Performance by applying the effective interest rate.

Bank Borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the *Accrual Basis* and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

1.4.3.3 Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncorrectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

1.4.3.4 Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.4.3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4.3.6 Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

1.4.3.7 Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading.

Notes to the Annual Financial Statements

1.4. Financial Instruments Classification (continued)

1.4.3.8 Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

1.4.3.9 Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

A gain or loss on an available - for - sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until financial assets is derecognised, at time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and

- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process

1.4.3.10 Impairment of financial assets

The municipality assesses at each statement of financial position date whether a financial asset or group of

Assets are carried at amortised cost.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit. The municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

1.5. Leases

1.5.1 Classification

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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1.5. Leases (Continued)

1.5.2 The Municipality as Lessee

1.5.2.1 Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

1.5.2.2 Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

1.5.3 The Municipality Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred

1.5.4 Determining whether an Arrangement contains a Lease

At inception of an arrangement, the municipality determines whether such an arrangement is, or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the municipality the right to control the use of the underlying asset. At inception, or upon reassessment of the arrangement, the municipality separates payments and other considerations required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the municipality concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the municipality's incremental borrowing rate.

1.6. Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

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1.6. Inventories (continued)

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7. Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

1.7. Impairment of cash-generating assets (continued)

1.7.1 Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.7.2 Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

1.7.3 Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

1.7.4 Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.7.5 Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

Notes to the Annual Financial Statements

1.7. Impairment of cash-generating assets (Continued)

1.7.5 Cash-generating units (Continued)

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets,

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

1.7.6 Reversal of impairment loss

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Notes to the Annual Financial Statements

1.7. Impairment of cash-generating assets (continued)

1.7.7 Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.7.8 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return.

When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Useful life is either:

(b) the number of production or similar units expected to be obtained from the asset by the municipality.

1.7.9 Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.7.10 Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

1.7.11 Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

1.7. Impairment of cash-generating assets (continued)

1.7.12 Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

1.7.13 Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

1.7.14 Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.7.15 Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.7.18 Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

1.8.1 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

1.8 Employee benefits (continued)

1.8.1 Short-term employee benefits (continued)

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.8.2 Long Service Awards

Where the entity pay insurance premiums to fund a post-employment benefit plan, the entity treats such a plan as a defined contribution plan unless the entity will have (either directly or indirectly through the plan) a legal or constructive obligation to either:

- pay the employee benefits directly when they fall due; or
- pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior reporting periods.

If the entity retains such a legal or constructive obligation, the entity treats the plan as a defined benefit plan.

1.8.3 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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1.8.3 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

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1.8.3 Provisions and contingencies (continued)

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.9. REVENUE RECOGNITION

1.9.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below, except when specifically stated otherwise. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue from Exchange Transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from Non-exchange Transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.9.2 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Revenue consists primarily of grants of National- and Provincial Government, service charges, rentals, interest received and other service rendered

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

When considering the probability of the future economic benefits that will flow to the entity, consideration is given to the requirements as outlined in IGRAP 1

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1.9. REVENUE RECOGNITION (Continued)

1.9.2.1 Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.9.2.2 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.9.2.3 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Rendering of services consist out of solid waste, sanitation, sewerage and water.

1.9.2.4 Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Notes to the Annual Financial Statements

1.9. REVENUE RECOGNITION (Continued)

1.9.2.5 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage, and are levied based on the number of refuse collections on each property during the week.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

1.9.2.6 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a *Straight-line Basis* over the term of the

1.9.2.7 Finance Income

Interest earned on investments is recognised in the Statement of Financial Performance on the *Time-proportionate Basis* that takes into account the effective yield on the investment.

Interest earned on the following investments is not recognised in the Statement of Financial Performance:

- Interest earned on Trust Funds is allocated directly to the fund.
- Interest earned on unutilised Conditional Grants is allocated directly to the Creditor: Unutilised Conditional

1.9.2.8 Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

1.9.2.9 Royalties

Royalties are recognised on an *Accrual Basis* in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a *Straight-line Basis* over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

1.9.2.10 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

1.9.2.11 Revenue from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

1.9. REVENUE RECOGNITION (Continued)

1.9.2.12 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

- (a) The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The municipality retains neither continuing managerial involvement to the degree usually associated with
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.9.2.13 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.9.3 Revenue from Non-exchange Transactions

An inflow of resources from a Non-exchange Transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a Non-exchange Transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

1.9.3.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a *Time-proportionate Basis* with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.9.3.2 Fines

Fines constitute both spot fines and summonses. Revenue from the issuing of fines is recognised when it is probable that the economic benefits or service potential will flow to the municipality and the amount of the revenue can be measured reliably.

There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender.

An estimate is made for revenue from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

Assessing and recognising impairment is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not be made at the time of initial recognition.

!Kheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

1.9. REVENUE RECOGNITION (Continued)

1.9.3.3 Public Contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Assets acquired from non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

1.9.3.4 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in the Statement of Financial Performance in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

1.10. Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.11. Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the

Notes to the Annual Financial Statements

1.12. Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.13. Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.14. Irregular expenditure

Irregular expenditure as defined in section 32 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

1.15. Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.16. Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.17. Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.18. Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

1.19. Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.20. Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/07/01 to 2016/06/30.

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

IKheis Local Municipality

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Notes to the Annual Financial Statements

12. Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Related party disclosures for transactions between government entities that took place on terms and conditions that are considered to be at arms length and in the ordinary course of business are not disclosed in accordance with IPSA 20 Related Party Disclosure.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling, the activities of the entity, We regard all individuals from the level of Accounting Officer and Council members as well as managers and directors reporting directly to the municipal manager as key management per the definition of the financial reporting standard.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Notes to the Annual Financial Statements

1.22. Value added tax

The municipality is registered with SARS for VAT on the payment basis, in accordance with Sec 15(2)(a) of the Value-Added tax Act No 89 of 1991.

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.23. Capital commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes. A distinction is made between capital and current commitments.

Commitments are disclosed for:

Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.

Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.

Other commitments for contracts are be non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

1.24. Provisions

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

!Kheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

25. TAXATION

25.1 Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

25.2 Deferred tax assets and liabilities

Deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

25.3 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus/deficit for the period.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

IKheis Local Municipality
Annual Financial Statements for the year ending 30 June 2019
Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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2. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2019 is as follows:

Statement of financial position

Cash flow statement

Management do not have sufficient records relating to interest capitalised on plant and equipment to enable retrospective expensing of borrowing cost. For this reason the change in accounting policy is applied prospectively.

3. Reclassification of items in the Financial Statements as a result of the implementation of mSCOA

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. The reclassification of 2018 audited amounts can be summarised as follows:

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Position			
Other financial assets	105 730	-	105 730
Inventories	286 401	-	286 401
Other receivables from non-exchange transactions	6 197 153	-	6 197 153
VAT receivable	1 029 348	-	1 029 348
Trade and other receivables from exchange transactions	8 844 709	-	8 844 709
Cash and cash equivalents	92 996	-	92 996
Property, plant and equipment	161 351 423	892	161 350 531
Unspent conditional grants and receipts	7 108 244	-	7 108 244
Provisions	4 089 111	-	4 089 111
Short-term portion of Long Service Awards	12 440	-	12 440
Payables from exchange transactions	19 951 238	-	19 951 238
VAT payable	-	-	-
Current portion of non-current liabilities	874 830	-	874 830
Consumer deposits	90 031	-	90 031
Finance lease obligation	2 377 908	-	2 377 908
Long-term portion of Long Service Awards	269 607	-	269 607
Accumulated surplus / (deficit)	143 134 353	(892)	143 135 245

!Kheis Local Municipality

Annual Financial Statements for the year ending 30 June 2019

Notes to the Annual Financial Statements

	Balance previously reported	Adjustments	Balance previously reported
Statement of Financial Performance			
Sale of goods	204 442	-	204 442
Rental of facilities and equipment	465 319	-	465 319
Property rates	4 527 683	-	4 527 683
Service charges	9 904 817	-	9 904 817
Government grants & subsidies	42 013 699	-	42 013 699
Licenses and permits	172 168	-	172 168
Recoveries	-	-	-
Other income	755 184	-	755 184
Interest received - consumer accounts	3 607 909	-	3 607 909
Interest received - investment	289 512	-	289 512
Personnel	(26 978 185)	-	(26 978 185)
Remuneration of councillors	(2 743 454)	-	(2 743 454)
Debt impairment	(8 861 177)	-	(8 861 177)
Depreciation and amortisation	(9 321 079)	-	(9 321 079)
Finance costs	-	-	-
Grants and Subsidies Paid - Operational (UDS Toilets)	-	-	-
Repairs and maintenance	(871 232)	-	(871 232)
Bulk purchases	(1 200 242)	-	(1 200 242)
General expenses	(13 709 301)	-	(13 709 301)
Gain on non-current assets held for sale or disposal groups	2 069 581	-	2 069 581
Net Surplus/(Deficit) for the year	325 645	-	325 645

IKheis Local Municipality
Annual Financial Statements for the year ending 30 June 2019
Notes to the Annual Financial Statements

Figures in Rand	2019	Restated 2018
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4. Property, plant and equipment

	2019			Restated 2018		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land & Buildings	53 487 550	-	53 487 550	-	-	-
Infrastructure	138 343 056	-69 767 464	68 575 591	138 339 005	-63 353 320	74 985 685
Community	11 515 795	-7 006 757	4 509 038	12 380 254	-6 799 710	5 580 544
Other property, plant and equipment	12 536 333	-11 616 808	919 525	65 524 057	-10 247 126	55 276 931
Lease hold assets	3 629 718	-1 673 834	1 955 884	3 629 718	-524 308	3 105 410
Total	219 512 452	-90 064 863	129 447 589	219 873 034	-80 924 464	138 948 570

Work in progress	37 425 952	Work in progress	22 402 853
- Buildings	-	- Buildings	-
- Infrastructure Assets	37 630 552	- Infrastructure Assets	22 198 253
- Community Assets	-204 600	- Community Assets	204 600
- Other Property Plant and Equipment	-	- Other Property Plant and Equipment	-
Total	166 873 540		161 351 423

Reconciliation of property, plant and equipment - 2019

	Opening balance	Prior year adjustments	Additions	Transfers	Prior year adjustments	Depreciation	Total
Land	54 112 257	-624 707	-	-	-	-	53 487 550
Infrastructure	74 985 685	4 051	-	-	-10 788	-6 403 356	68 575 591
Community	5 580 544	-1 069 059	204 600	-	773 089	-980 136	4 509 038
Other property, plant and equipment	2 054 804	223 253	11 150	-	-186 860	-1 182 821	919 525
Other lease assets	3 105 410	-	-	-	-	-1 149 526	1 955 884
Work in progress	22 198 253	-	15 023 098	204 600	-	-	37 425 952
	162 036 954	-1 466 462	15 238 848	204 600	575 440	-9 715 840	166 873 541

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Other changes - movements	Depreciation	Total
Land	54 507 202	-	-	-	-394 945	54 112 257
Infrastructure	79 070 887	593 763	-	1 630 045	-6 309 010	74 985 685
Community	6 487 803	189 198	-	-67 548	-1 028 910	5 580 543
Other property, plant and equipment	1 964 006	221 508	-	-285 851	-737 562	1 162 100
Other lease assets	4 242 007	-	-	-612 289	-524 308	3 105 411
Work in progress	37 484 707	-	-	-15 081 854	-	22 402 853
	183 756 612	1 004 469	-	-14 417 497	-8 994 735	161 348 849

Assets subject to finance lease (net carrying value)

No assets have been pledged as collateral for liabilities of the municipality

5. Other financial assets

At amortised cost

Unlisted Investments

First National Bank - Branch: Groblershoop, Account number 711297993876

113 619 105 730

Interest rate: 6,38%, Investment term is 12 months

113 619 105 730

No investment have been pledged as collateral for liabilities of the municipality

6. Inventories

Inventories	89 668	215 593	Prior year calculation
Water	88 761	70 808	
	178 429	286 401	

As the municipality do not made use of a formal inventory system, and inventory are determined via a stock take at year end of all unused materials. Inventory are recorded through the adjustment journals set off against repairs and maintenance expenses.

Inventory pledged as security

No inventories have been pledged as collateral for liabilities of the municipality

IKheis Local Municipality
Annual Financial Statements for the year ending 30 June 2019
Notes to the Annual Financial Statements

7. Receivables from non-exchange transactions

Rates and other taxes	-	-
Property Rates	13 616 863	21 018 942
Impairment	-2 470 680	-7 765 281
Housing Suspense Debtor	-	-
Various controls	-	880 866
Sundry Debtors	2 686 666	1 856 782
Debtors not yet allocated	-9 794 175	-9 794 175
	<u>4 038 674</u>	<u>6 197 153</u>

8. VAT receivable/ (payable)

VAT receivable	1 006 364	1 029 348
VAT payable	-	-

The municipality is registered at SARS on the payments basis. Only once payment is received from debtors, VAT is paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

9. Trade and other receivables from exchange transactions

Gross balances

Water	15 503 002	14 085 293
Sewerage	8 995 918	8 171 287
Refuse	13 597 944	12 355 336
Agriculture	-	-
Business and Commercial	-	-
National Government	-	-
Developed	-	-
Other debtors	3 534 010	3 765 347
VAT debtors	-	-
	<u>41 630 874</u>	<u>38 377 263</u>

Less: Allowance for impairment

Water	-11 744 500	-10 846 671
Sewerage	-6 017 256	-6 280 516
Refuse	-10 307 056	-9 504 019
Other debtors	-2 901 348	-2 901 348

Net balance

	<u>-30 970 161</u>	<u>-29 532 555</u>
Water	3 758 502	3 238 622
Sewerage	2 978 662	1 890 772
Refuse	3 290 888	2 851 316
Other debtors	632 662	863 999
VAT debtors	-	-
	<u>10 660 713</u>	<u>8 844 709</u>

Less: Debtors with credit balances

	<u>-</u>	<u>-</u>
Net balance of trade and receivables from exchange transaction	<u>10 660 713</u>	<u>8 844 709</u>

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Age analysis as per services (segments) excluding debtors with credit balances.

Rates		
Current (0 - 30 days)	5 120	87 597
31 - 60 days	601 216	1 198 861
61 - 90 days	28 631	231 037
91 - 120 days	52 585	89 325
121 - 365 days	10 802 882	9 617 947
	11 490 434	11 224 767
Water		
Current (0 - 30 days)	-8 561	291 354
31 - 60 days	240 946	245 813
61 - 90 days	260 724	281 015
91 - 120 days	341 047	182 558
121 - 365 days	13 113 995	13 084 553
> 365 days	-	-
	13 948 151	14 085 293
Sewerage		
Current (0 - 30 days)	-173	-119 813
31 - 60 days	161 553	94 721
61 - 90 days	156 208	105 487
91 - 120 days	155 450	100 933
121 - 365 days	7 366 996	7 989 959
> 365 days	-	-
	7 840 033	8 171 287
Refuse		
Current (0 - 30 days)	-210	161 731
31 - 60 days	217 766	152 723
61 - 90 days	206 894	169 480
91 - 120 days	203 556	159 337
121 - 365 days	11 036 863	11 712 065
> 365 days	-	-
	11 664 869	12 355 336
Other (specify)		
Current (0 - 30 days)	-	26 961
31 - 60 days	14 000	22 315
61 - 90 days	14 137	26 117
91 - 120 days	14 254	26 040
121 - 365 days	-575 024	3 663 914
	-532 633	3 765 347
Total	44 410 854	49 602 030
Summary of debtors by customer classification		
Consumers		
Current (0 - 30 days)	-3 545 481	-7 749 278
31 - 60 days	579 638	684 026
61 - 90 days	481 654	-
91 - 120 days	579 786	-
121 - 365 days	40 438 668	49 273 149
	38 534 265	42 207 897
Industrial/Commercial		
Current (0 - 30 days)	-186 829	-275 748
31 - 60 days	434 404	159 247
61 - 90 days	127 651	-
91 - 120 days	144 432	-
121 - 365 days	2 825 933	5 764 184
	3 345 591	
Churches		
Current (0 - 30 days)	-38 543	-2 387
31 - 60 days	9 545	97 816
61 - 90 days	7 474	-
91 - 120 days	7 490	-
121 - 365 days	461 348	1 651 021
	447 313	1 746 450
Agriculture		
Current (0 - 30 days)	-2 321 073	-2 387
31 - 60 days	1 250	97 816
61 - 90 days	27 430	-
91 - 120 days	736	-
121 - 365 days	2 586 704	1 651 021
	295 048	5 647 683
National and provincial government		
Current (0 - 30 days)	-67 381	-2 387
31 - 60 days	64 582	97 816
61 - 90 days	24 455	-
91 - 120 days	37 265	-
121 - 365 days	1 808 130	1 651 021
	1 867 051	1 746 450
Total		
Current (0 - 30 days)	-6 159 307	-8 027 413
31 - 60 days	1 089 419	941 090
61 - 90 days	668 664	-

IKheis Local Municipality

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91 - 120 days

121 - 365 days

Less: Allowance for impairment

769 709	-
48 120 783	56 688 353
44 489 268	49 602 030
-33 680 287	-37 297 815
10 808 981	12 304 216

Reconciliation of allowance for impairment

Balance at beginning of the year

Contributions to allowance

Less: Bad debts written-off/Corrections

-37 297 815	-28 436 638
-5 137 797	-8 861 177
8 755 325	-
-33 680 287	-37 297 815

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Receivables from Non-Exchange transactions

Other debtors include outstanding debtors for various other services, e.g. rentals, sundry, etc.

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

In determining the recoverability of a Receivable, the municipality considers any change in the credit quality of the Receivable from the date credit was initially granted up to the reporting date. Furthermore, the municipality has also placed a strong emphasis on verifying the indigent status of consumers. The concentration of credit risk is limited due to the customer base being spread over a large number of consumers and is not concentrated in any particular sector or geographical area. Accordingly, management believe that there is no further credit provision required in excess of the Provision for Impairment.

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

Consumer debtors pledged as security

None of the consumer debtors were pledged as security for any financial liability.

Interest on consumer accounts

No interest were charged/levied on arrear consumer (debtors) accounts.

Consumer debtors impaired

As of 30 June 2019, consumer debtors of R 38 534 265 - (2018: R37 297 816) were impaired and provided for. In determining the recoverability of a consumer debtor, the municipality consider any change in the credit quality of the trade receivable from the date credit was granted up to the end of the reporting period.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	398	1 526
Bank balances	1 731 123	90 724
Short-term deposits	1 703 153	746
	<u>3 434 674</u>	<u>92 996</u>

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings, if available:

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The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-19	30-Jun-18	30-Jun-17
First National Bank, Branch: Groblershoop Account number: 62026193441	144 628	180 262	109 440	-1 731 123	90 724	108 990
First National Bank, Branch: Groblershoop Account number: 62150559486 - FMG/MSIG	192	40	73 988			
First National Bank, Branch: Groblershoop Account number: 62304431828 - Library Account	5 078	46	37 894			
First National Bank, Branch: Groblershoop Account number: 62304432123 - LOTTO account	82	82	1 182			
First National Bank, Branch: Groblershoop Account number: 62102417567 - MIG Account	1 682 678	49	17 142			
First National Bank, Branch: Groblershoop Account number: 71129793876 - BUSS Eff	113 619	105 731	97 972	1 816 772	108 476	298 818
First National Bank, Branch: Groblershoop Account number: 62364746986 - Pula Nala	28	28	6			
First National Bank, Branch: Groblershoop Account number: 62364746580 - EPWP Account	641	501	70 635			
First National Bank, Branch: Groblershoop Account number: 71197351979 - Fixed Deposit	-	-	-			
Total	1 946 946	286 739	408 258	85 650	197 200	407 808

11. Finance lease obligation

Minimum lease payments due

- within one year
- in second to fifth year inclusive

874 830 874 830
1 559 748 2 377 908

2 434 578 3 252 738

less: future finance charges

-961 121 -969 004

Present value of minimum lease payments

1 473 457 2 283 734

Present value of minimum lease payments due

- within one year
- in second to fifth year inclusive
- less interest

1 105 287 500 428

2 808 831 1 783 306

3 914 118 2 283 734

Less: Amount re allocated for short term portion

874 830 874 830

It is municipality policy to lease certain equipment under finance leases.

The municipality enters into a new lease agreement on 27 July 2017 of the previous financial year. The previous lease agreements has been cancelled. The average lease term was 5 years and the average effective borrowing rate was 15% (2017: 15%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

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12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Water Service Infrastructure Grant	2 353 095	5 013 734
MIG Grants	827 149	1 533 679
Library Grant	0	560 831
	3 180 244	7 108 244

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

The municipality has complied with all the conditions set by the transferring organs of state or the conditions set by the other institutions who made allocations to the municipality. The unspent portion of conditional allocations are disclosed as unspent conditional grants on the face value of the Statement of Financial Position of the municipality.

See note 21 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

13. Provisions

Opening balance	4 089 111	3 803 824
Contribution for the year	1 327 003	285 287
Change in Provision for Rehabilitation costs	-	-
Total provision	5 416 113	4 089 111

Reconciliation of provisions – 2019

	Opening Balance	Additions	Total
Environmental rehabilitation	4 089 111	1 327 003	5 416 113
	4 089 111	1 327 003	5 416 113

Reconciliation of provisions – 2018

	Opening Balance	Additions	Total
Environmental rehabilitation	3 803 824	285 287	4 089 111
	3 803 824	285 287	4 089 111

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites to a condition whereby it complies to the permit requirements issued in terms of the Mineral and Petroleum Resources Development Act, (Act 28 of 2002). This provision adjusted according to new calculation by Consulting Engineers.

The consultants find that the landfill sites are non-compliant according to Chapter 3 of National Environmental Management Act (Act 107 of 1998) and Chapter 4, Section 20 and Chapter 7, Section 67 (1) (a) of the National Environmental Management: Waste Act, (Act 59 of 2008).

Some of the landfill sites are at a capacity of 80%, based on the calculations, we can dump waste for at least two additional years.

14. Employee benefit obligations

	Opening Balance	Additions	Total	2018
Long Service Awards	257 167	-	257 167	197 365
	257 167	-	257 167	197 365
Long Service Awards				
Balance 01 July 2018		269 607		393 579
Contributions for the year		119 431		-123 972
Expenditure for the year		42 577		-
Actuarial Loss/(gain)		-		-
Total provision 30 June 2019		431 615		269 607
Less: transfer of current portion to current liabilities		12 440		12 440
Balance 30 June 2019		444 055		257 167

Long service awards calculation are based on the Bargaining Councils Collective Agreement and only become applicable on completion of a predetermined cycle. In other words a ten year long service awards, only materialised once a person completed ten years of services.

15. Payables from exchange transactions

Bonus and leave accruals	4 140 970	2 475 447
Debtors with credit balances	-2 499 273	669 068
DWAF Funds water	-	-
Payment received in advanced - Unallocated deposits	-	-
Retention creditors		
Suspense creditors	3 673	-
Trade payables	18 080 385	12 943 652
3rd Party payments	10 072 891	3 863 071
	29 798 646	19 951 238

Payables are being recognised nett of any discounts. The carrying value of trade and other payables approximates its fair value. All payables are unsecured. Debtors with credit balances represents payments received in advance.

16. Current portion of borrowings

DBSA loan - Short term portion	874 830	1 987 810
Nashua leases - Short term portion	874 830	1 987 810

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17. Consumer deposits

Water

	94 795	90 031
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The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts

18. Revenue

Government grants & subsidies	46 384 835	42 013 699
Interest received - Consumer accounts	3 857 153	3 607 909
Interest received - investment	150 657	289 512
Licences and permits	390 557	172 168
Other income	41 515	755 184
Property rates	5 892 176	4 527 683
Recoveries	-	-
Rental of facilities and equipment	275 081	465 319
Sale of goods	402 217	204 442
Service charges	8 839 265	9 904 817
	66 233 455	61 940 734

The amount included in revenue arising from exchanges of goods or services

are as follows:

Interest received - Consumer accounts	3 857 153	3 607 909
Interest received - investment	150 657	289 512
Licences and permits	390 557	172 168
Other income	41 515	755 184
Recoveries	-	-
Rental of facilities and equipment	275 081	465 319
Sale of goods	402 217	204 442
Service charges	8 839 265	9 904 817
	13 956 444	15 399 351

The amount included in revenue arising from non-exchange transaction

are as follows:

Taxation revenue		
Property rates	5 892 176	4 527 683
Transfer revenue		
Government grants & subsidies	46 384 835	42 013 699
	52 277 011	46 541 383

19. Property rates

Rates received

Residential	5 892 176	4 527 683
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Valuations

Residential	116 963 000	98 160 000
Commercial	31 240 000	31 240 000
State	41 707 000	41 707 000
Municipal	235 622 000	287 434 000
Small holdings and farms	1 796 158 000	1 677 710 000
Public Worship	9 330 000	9 330 000
Other - Vacant land	3 162 000	3 162 000
	2 234 182 000	2 148 743 000

Property rates are levied on the value of land and improvements. Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2014. Council submitted an application for extension of the current valuation roll to Cogesta, which had been approved.

Supplementary valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date for payment being 30 June 2019

The new general valuation will be implemented on 01 July 2019

An general rate is applied as follows to property valuations to determine property rates:

Residential Properties: 0.0105c/R (2017: 0.0098c/R)
 Business Properties: 0.0131c/R (2017: 0.0123c/R)
 Agricultural Properties: 0.0021c/R (2017: 0.0019c/R)
 State Properties: 0.0025c/R (2017: 0.023c/R)

The first R 15 000 (2018: R 15 000) of the valuation of all residential properties are exempted from the calculation of rates.

20. Service charges

Refuse removal	2 714 255	3 202 136
Sale of water	3 959 936	4 253 798
Sewerage and sanitation charges	2 182 530	2 448 883
	8 856 722	9 904 817

The amount disclosed above for revenue from service charges are in respect of services rendered which are billed to the customers on a monthly basis according to approved tariffs

IKheis Local Municipality
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21. Government grants and subsidies

Operating grants and subsidies

Equitable Share	23 149 430	21 454 000
Finance Management Grant	2 415 000	2 345 000
Library Grant	750 000	890 172
SPLUMA	-	-
National Treasury Allocation - Audit fees	2 840 080	877 818
National Treasury - Debt written off and interest reversal	2 838 486	3 696 122
	<u>26 316 024</u>	<u>29 263 112</u>

Capital grants

Water Income - DWA	-	-
Lotto sportgronde	-	-
Expanded Public Works Programme (EPWP)	1 000 000	1 000 000
Municipal Infrastructure Grant (MIG)	10 567 000	9 264 321
Water Service Infrastructure Grant	8 500 000	2 486 266
	<u>20 067 000</u>	<u>12 750 587</u>
	<u>46 383 024</u>	<u>42 013 699</u>

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	26 316 024	29 263 112
Unconditional grants received	20 067 000	12 750 587
	<u>46 383 024</u>	<u>42 013 699</u>

Equitable Share

In terms of the Division of Revenue Act, the annual equitable share allocated to the municipality is an unconditional grant. A portion of this grant is used to subsidise the provision of basic services to indigent community members in line with national policy. In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R383,11 - (2018: R 340.01), which is funded from the grant.

MIG Grant

Balance unspent at beginning of year	1 533 679	-
Current-year receipts	10 798 000	10 798 000
Conditions met - transferred to revenue	-11 504 530	-9 264 321
	<u>827 149</u>	<u>1 533 679</u>

The grant is used to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure utilised in providing basic services for the benefit of poor households. The grant was used to construct roads infrastructure as part of the upgrading of informal settlement areas. The grant was also allocated for the readication of the bucket system by building UDS toilets for the community of IKheis.

Water Service Infrastructure Grant

Balance unspent at beginning of year	5 013 734	-
Current-year receipts	8 500 000	7 500 000
Conditions met - transferred to revenue	-11 160 639	-2 486 286
	<u>2 353 095</u>	<u>5 013 734</u>

The purpose of the grant is to fund internal infrastructure for water services at a basic level of service.

Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	-	-
Current-year receipts	-	1 000 000
Conditions met - transferred to revenue	-	-1 000 000
	<u>-</u>	<u>-</u>

The grant is to utilised for salary expenses in regards to the expanded public works programme. The grant is in regards to the upgrading of the municipal offices. Grants received for the upgrading of the municipal offices and upgrading of internal streets.

Finance Management Grant

Current-year receipts	2 415 000	2 345 000
Conditions met - transferred to revenue	-2 415 000	-2 345 000
	<u>-</u>	<u>-</u>

The purpose of the grant is to promote and support reforms to financial management and the implementation of the MFMA.

SPLUMA

Balance unspent at beginning of year	-	-
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>-</u>	<u>-</u>

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The purpose of the grant is to provide a framework for spatial planning and land use management for municipalities.

Library Grant

Balance unspent at beginning of year	560 830	544 002
Current-year receipts	750 000	907 000
Conditions met - transferred to revenue	-1 310 830	-890 172
	<u>0</u>	<u>560 830</u>

Conditions still to be met - remain liabilities (see note 15).

The grant is to utilised for the programme cost of the library and other costs as per the library proposal.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 5 of 2013), no significant changes in the level of government grant funding are expected over the forthcoming 2 financial years.

22. Other revenue

Other income	41 515	755 184
	<u>41 515</u>	<u>755 184</u>

Other income

Administrative handling fees	101	681767,99
Building Plan fees	11 644	9 749
Cemetaries	-	2 718
Clearance Certificates	7 906	6 327
Faxes	-	-
Graves fees	-	-
Grazing fees	-	26 580
Hawkers Licenses	-	-
Miscellaneous Income	-	-
Photocopies	8 342	199
Prints	-	5 983
Refuse removal	-	-
Tender documents	6 098	21 859
Transport	-	-
Valuation Certificates	-	-
	<u>41 515</u>	<u>755 184</u>

23. General expenses

Administrative Costs	-	-
Advertising	22 388	161 453
Auditors remuneration	-1 271 172	2 008 550
Bank charges	79 685	101 952
Chemicals	430 061	56 531
Cleaning	107 014	134 929
Computer expenses	6 619	4 197
Consulting and professional fees	2 801 752	5 582 996
Electricity	2 287 911	2 851 601
Entertainment	3 962	2 256
Fuel and oil	351 383	335 911
Insurance	266 333	228 093
Daily Allowances	33 483	45 385
Other expenses	195 431	201 946
Postage and courier	65 356	4 710
Printing and stationery	119 100	62 921
Protective clothing	23 745	51 566
Royalties and license fees	390 192	286 717
Indigent Relief & Temporary workers	299 995	965 419
Security	11 034	9 266
Subsistence Allowances	106 994	140 339
Subscriptions and membership fees	1 925 464	306 561
Telephone and fax	200 031	165 862
Transfers and grants: Operational expenditure	1 052 839	-
Travel - local	-	141
	<u>9 509 598</u>	<u>13 709 301</u>

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24. Employee related costs

Basic	22 201 423	18 482 555
Bonus	2 396 559	1 739 929
Housing benefits and allowances	393 619	554 956
Leave pay provision charge	953 520	258 623
Medical aid-company contributions	290 378	321 129
Pensionfund Contributions	2 529 220	2 223 196
Shift Allowance	15 050	15 400
Skills Development Levies	231 404	207 027
Training Levies	-	-
Travel, motor car, accomodation, subsistence and other allowances	3 890 678	2 552 162
UIF	199 409	623 208
	33 101 260	26 978 185

Remuneration of Acting Municipal Manager -JTF Leeuw

Annual Remuneration	453 331	96 330
Car Allowance	161 133	17 567
Cellphone Allowance	12 000	534
Contributions to UIF, Medical and Pension Funds	1 190	19 005
	627 654	133 437

Remuneration of Acting Municipal Manager - D Jacobs

Annual Remuneration	132 247	215 396
Car Allowance	-	123 957
Cellphone Allowance	-	3 740
Contributions to UIF, Medical and Pension Funds	-	2 082
	132 247	345 175

Remuneration of Chief Finance Officer - JD Block

Annual Remuneration	411 146	485 673
Car Allowance	107 532	141 494
Cellphone Allowance	6 000	4 808
Contributions to UIF, Medical and Pension Funds	12 529	141 674
	537 207	773 649

Remuneration of Acting Chief Financial Officer - W Weilbach

Annual Remuneration	-	499 734
Car Allowance	-	74 240
Cellphone Allowance	-	5 000
Contributions to UIF, Medical and Pension Funds	-	54 520
	-	633 494

Remuneration of Acting Corporate Manager - S Jansen

Annual Remuneration	61 447	-
Car Allowance	-	-
Cellphone Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
	61 447	-

Remuneration of Acting Chief Finance Officer - S Mahonie

Annual Remuneration	150 298	175 197
Car Allowance	81 032	52 509
Cellphone Allowance	5 000	1 731
Contributions to UIF, Medical and Pension Funds	-	18 233
	236 330	247 669

Corporate and Human Resources (Corporate Services) - G Baster

Annual Remuneration	309 966	637 614
Car Allowance	113 445	190 113
Cellphone Allowance	7 000	6 411
Contributions to UIF, Medical and Pension Funds	1 041	165 593
	431 452	999 732

IKheis Local Municipality

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Notes to the Annual Financial Statements**Remuneration of Technical Director - D Dolopi**

Annual Remuneration	629 268	613 726
Car Allowance	203 055	190 113
Cellphone Allowance	12 000	6 411
Contributions to UIF, Medical and Pension Funds	106 956	3 569
	951 279	813 819

Corporate and Human Resources (Corporate Services) - D Van Der Westhuizen

Annual Remuneration	236 165	526 709
Car Allowance	81 032	162 064
Cellphone Allowance	5 000	5 343
Contributions to UIF, Medical and Pension Funds	2 235	2 974
	324 432	697 090

Remuneration of Technical Director - D Jacobs

Annual Remuneration	328 255	672 485
Car Allowance	123 871	197 905
Cellphone Allowance	9 000	6 411
Contributions to UIF, Medical and Pension Funds	51 537	156 479
	512 663	1 033 280

Remuneration of Community Service Director - F van Eck

Annual Remuneration	673 559	639 634
Car Allowance	190 436	190 113
Cellphone Allowance	12 000	6 411
Contributions to UIF, Medical and Pension Funds	123 025	156 479
	999 020	992 637

25. Remuneration of councillors

Mayor	589 681	634 476
Councillors	1 223 775	1 336 741
Travelling Allowance	596 101	546 036
Cellphone and other allowance	309 620	226 200
	2 719 179	2 743 454

In-kind benefits

The Mayor is full-time. He is provided with an office and secretarial support at the cost of the Council.

26. Debt impairment

Debt impairment	3 459 243	8 861 177
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27. Interest earned - External invest**Interest received from receivables**

Receivables	3 857 153	-3 607 909
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Interest revenue

Bank	150 657	-289 512
	4 007 810	-3 897 422

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28. Depreciation and amortisation

Property, plant and equipment	9 762 416	9 321 079
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29. Finance costs

Non-current borrowings	596 735	367 452
Provision for rehabilitation of landfill sites	-	285 287
	596 735	652 739

30. Auditors' remuneration

Fees	-1 271 172	2 008 550
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31. Grants and subsidies paid

Other subsidies

MSIG Expenditure	-	-
MIG Expenditure - UDS Toilets	-	-
	-	-

32. Bulk purchases

Water	1 320 966	1 200 242
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33. Cash generated from operations

(Deficit) surplus	3 873 007	-2 396 676
Adjustments for:		
Depreciation and amortisation	9 762 416	9 321 079
Gain on sale of non-current assets and disposal groups	-	-2 069 581
Finance costs - Finance leases	-596 735	-652 739
Interest income	3 857 153	3 607 909
Interest earned - Investment	-150 657	289 512
Debt impairment	3 459 243	8 861 177
Movements in operating lease assets and accruals	-	-
Movements in provisions	-	-
Other non-cash items	-12 844 900	-12 844 900
Changes in working capital:		
Inventories	107 973	42 205
Other receivables from non-exchange transactions	2 158 479	-1 044 114
Consumer debtors	-1 816 004	1 328 886
Investments	-7 889	-7 759
Payables from exchange transactions	9 847 408	958 076
VAT Receivable	22 984	-977 297
VAT Payable	-	-3 176 273
Unspent conditional grants and receipts	-3 180 244	6 564 241
Consumer deposits	-94 795	-100
Current portion of borrowings	-	-1 112 980
Provisions	1 327 003	285 287
	15 724 442	6 975 954

34. Commitments

Authorised capital expenditure

Already contracted for but not provided for

Commitment as at 30 June 2019	8 919 977	11 411 040
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This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

35. Contingencies

The municipality is currently involve in court case relating to an accident on the N10 National road. The matter deals with responsibility of maintaining the fences. The estimated costs amounted to R1 768 000.

36. Related parties

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

IKheis Local Municipality
Annual Financial Statements for the year ending 30 June 2019
Notes to the Annual Financial Statements
36.1 Interest of Related Parties

Councillors and/or management of the municipality have relationship with businesses as indicated below:

Name of Related Person	Designation	Relationship	Related Party
Cllr AL Diergaardt	Mayor	Member of municipal council	None
Cllr S Esau	Councillor	Member of municipal council	None
Cllr J Silo	Councillor	Member of municipal council	None
Cllr A Tobias	Councillor	Member of municipal council	None
Cllr K Esau	Councillor	Member of municipal council	None
Cllr E Cloete	Councillor	Member of municipal council	None
Cllr G Beukes	Councillor	Member of municipal council	None
JTF Leeuw	Acting Municipal Manager	Member of key management	Member of Black Sparrow Trading
JD Block	Chief Financial Officer	Member of key management	Shya's financial services; Director
D Dolopi	Technical Director	Member of key management	Member of Press A Phanda Solutions
D Jacobs	Acting Municipal Manager & Director Strategic Planning	Member of key management	None
DR Van Der Westhuizen	Acting Director Corporate Service	Member of key management	None
S R Mahonie	Acting Chief Financial Officer	Member of key management	Member of Isiqalo Ensintsha General Trading
G Baster	Acting Manager Office of the Mayor and Municipal	Member of key management	None
G Cloete	Employee of the municipality	Close family member of Council. Husband of Councillor E Cloete.	None
CS van Eck	Community Service Director	Member of key management	None

Related Person

Employee cost	2019	2018
G Cloete	272 362	263 165
	272 362	263 165

36.2 Service rendered to Related Parties.

The municipality did not render any service other than the normal municipal billings (service charges, rates etc) on the approved tariff structure of the municipality to councillors and top management. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

Related party transactions

Related Party

Cllr A Diergaardt	-6 978	4 798	-
Cllr K Esau	4 402	4 425	4 401.84
Cllr E Cloete	4 454	4 584	4 454.40
Cllr S Esau	3 553	4 356	4 401.84
FS Van Eck			
Total	5 431	18 162	

36.3 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by IKheis Municipality.

36.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Appendix G, Statement of Remuneration of Management, to the Annual Financial Statements.

37. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

38. Events after the reporting date

No events are known at time of submission of annual financial statement that may have a material impact on IKheis Municipality's going concern.

IKheis Local Municipality
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Notes to the Annual Financial Statements

39. Prior period errors

Property, Plant and Equipment disclosed in prior year financial statements was not impaired which resulted in an overstatement of Property, Plant and Equipment. These errors as indicated in audit report.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Increase/ (Decrease) in Infrastructure Assets	6 410 093	-2 867 819
Decrease in Community Assets	1 071 506	-213 853
Increase/ (Decrease) in Land and Buildings Assets	-	-
Increase in Other Assets	54 357 406	7 694 611
Decrease in Movable Assets	-	-
Increase in Other Assets	-	25 806
Increase in Infrastructure Assets Depreciation	-6 414 145	1 035 317
Increase in Community Assets Depreciation	-1 071 506	146 305
Increase in Other Assets Depreciation	-1 369 682	-8 006 271
Increase/ (Decrease) in Work in Progress	15 023 098	-750 393
Decrease in Unauthorised expenditure	-15 128 506	-
Decrease in Trade and other payables	899 160	327 115
Decrease in Debtors	1 816 004	-
Decrease in Debtors SARS SDL	-	-
Decrease in VAT Receivable	-22 984	-
Decrease in Creditors	5 136 733	734 436
Increase/ (Decrease) in Accumulated Surplus	<u>60 707 179</u>	<u>-1 874 746</u>

40. Comparative figures

The reporting period is for a year, therefore comparative amounts are comparable to the current balances.

41. Unauthorised expenditure

Opening balance	22 796 152	18 966 291
Unauthorised expenditure	<u>15 128 506</u>	<u>3 829 861</u>
Condoned	-	-
	<u>37 924 658</u>	<u>22 796 152</u>

The unauthorised expenditure relates to Vehicle registration fees votes budget which were overspent.

42. Fruitless and wasteful expenditure

Opening balance	3 968 061	3 917 595
Fruitless and wasteful expenditure - 2017/2018 (Interest on creditors)	453 450	50 466
Interest and penalties paid to SARS on EMP201 late payments	-	-
Interest paid to Nashua due to non-payment of operating lease	-	-
Back pay of 32 re-instated employees as a result of a court order	-	-
Condoned	-	-
	<u>4 421 511</u>	<u>3 968 061</u>

The amount of fruitless and wasteful expenditure for 2015/2016, 2016/2017 and 2017/2018 2018/2019 consists of interest and understatement penalties levied by The South African Revenue Services during the recent VAT audits. The amount for Auditor General could not be condoned by council, because payments are being made by National Treasury.

43. Irregular expenditure

Opening balance	20 010 446	-	
Add: Irregular Expenditure - current year	<u>19 022 863</u>	<u>20 010 446</u>	Audit Adjustment
The full extent of irregular expenditure could not be determined	-	-	
Less: Amounts condoned or transferred to debtors	-	-	
	<u>39 033 309</u>	<u>20 010 446</u>	

IKheis Local Municipality
Annual Financial Statements for the year ending 30 June 2019
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Details of irregular expenditure - current year

Detail in the attached irregular register Explanations in the register per individual case 19 022 863.04

880 667

19 022 863 880 667

44. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government (SALGA)

Opening balance	1 516 435	1 106 435
Current year fee	500 000	410 000
Amount paid - current year	-	-
	2 016 435	1 516 435

Audit fees - [MFMA 125 (1)(c)]

Opening balance	6 391 643	4 480 443
Current year audit fee	-1 911 200	1 911 200
External Audit Fees	-1 911 200	1 911 200
Internal Audit Fees Audit Committee		
Amount paid - current year	574 023	
	4 480 443	6 391 643

PAYE and UIF - [MFMA 125 (1)(c)]

Current year fee	3 832 789	3 574 549
Amount paid - current year	-3 523 212	-3 304 824
	309 577	269 725

Pension Deductions - [MFMA 125 (1)(c)]

Current year fee	4 307 117	4 663 618
Amount paid - current year	-1 073 719	-4 539 837
	3 233 398	123 781

Medical Aid Deductions - [MFMA 125 (1)(c)]

Current year fee	448 073	4 663 618
Amount paid - current year	-407 806	-4 539 837
	40 267	123 781

VAT - [MFMA 125 (1)(c)]

VAT Receivable	3 009 280	1 504 853
Amount refunded - current year	-2 795 943	-1 240 831
	213 338	264 022

VAT output payables and VAT input receivables are shown in note 9.

VAT returns have been submitted from July 2018 till January 2019. The VAT returns for February March, April, May and June 2019 are still outstanding.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2019

30-Jun-19	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr E Cloete	376	25 764	26 140
Cllr S Esau	367	21 907	22 274
Cllr K Esau	1 101	9 497	10 597
Cllr A Tobias	329	6 521	6 850
	2 174	63 688	65 862

30-Jun-18	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr E Cloete	1 060	21 111	22 171
Cllr S Esau	1 447	14 853	16 300
Cllr K Esau	701	5 495	6 196
	3 208	41 458	44 666

In calculation of debt impairment, Councillors were excluded.

IKheis Local Municipality
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30-Jun-19	Highest outstanding amount	Aging (in days)
Cllr E Cloete	26 139.96	864,00
Cllr S Esau	22 273.97	864,00
Cllr K Esau	10 597.38	864,00
Cllr A Tobias	6 850.29	864,00
	59 011.31	2 592,00

30-Jun-18	Highest outstanding amount	Aging (in days)
Cllr E Cloete	26 140	864
	26 140	864

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

45. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

Goods and Services were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Reference nr	Supplier Name	Authorised	Amount	Reason
8947	GEMSBOK	Yes	R 2 321.12	Emergency, only service provider with available space
8962	JAM OFFICE STATIONERS (PTY) LT	Yes	R 7 439.88	Emergency, only service provider with available goods
8967	ANDRAG AGRICO	Yes	R 9 246.18	Emergency services repair of pump
8976	URB KLANK EN BEELD	Yes	R 21 225.00	Emergency services only service provider to provide goods
8992	TRANS ORANJE DRUKKERS	Yes	R 10 257.41	Only service provider who can provide documents with municipal logo
9001	ANDRAG AGRICO	Yes	R 4 000.94	Emergency services repair of pump
9005	BLV SWEISWERKE (Edms) Bpk	Yes	R 3 249.00	Emergency services repair of service delivery vehicle
9011	GEMSBOK	Yes	R 2 086.56	Only service provider that was available for hearing
8999	ANDRAG AGRICO	Yes	R 2 713.20	Emergency services repair of pump
9099	Kaap Agri Bedryfs Beperk	Yes	R 29 999.93	Emergency, only service provider who were able to give routes

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9100	Oranje Nissan	Yes	R 3 696.63	Emergency, Sole provider
9104	Oranje Nissan	Yes	R 9 542.61	Emergency, Sole provider
9042	Kaap Agri Bedryfs Beperk	Yes	R 29 999.99	Emergency services only service provider to provide goods
9079	Andrag Agrico	Yes	R 5 366.48	Good are available from one supplier
8997	Andrag Agrico	Yes	R 9 060.44	Only service provider who can provide documents with municipal logo
9031	Kaap Agri Bedryfs Beperk	Yes	R 29 999.99	Emergency services repair of pump
9131	URB QUOTE 23310	Yes	R 16 020.00	Emergency, only service provider who were able to give quotes
	PATHCARE A0081	Yes	R 2 520.80	Emergency, Sole provider
	PATHCARE A0080	Yes	R 2 835.90	Emergency, Sole provider
	KAAP AGRI OG/KBR6743	Yes	R 9 999.83	Emergency services only service provider to provide goods
	UPT ALT EST 598	Yes	R 23 502.94	Emergency services only service provider to provide goods
	AAS OPERATIONS	Yes	R 18 239.00	Emergency services only service provider to provide goods
9160	Gemsbok	Yes	R2 906.28	Because of the available space in the local newspaper
9164	Jam Office Stationers	Yes	R8 325.00	Only two(2) Suppliers responded
9166	AAS Operations	Yes	R55 422.81	In an emergency
9138	ORANJE NISSAN	Yes	R9 542.61	Because of the available space in the local newspaper
9163	URB KLANK EN BEELD	Yes	R3 850.00	Only two(2) Suppliers responded
8961	ANDRAG AGRICO	Yes	R4 785.85	In an emergency
8983	TRANS ORANJE DRUKKERS	Yes	R10 196.43	Only supplier to respond on request
8997	ANDRAG AGRICO	Yes	R9 060.44	In an emergency
9015	LEXIS NEXIS	Yes	R3 462.75	Only supplier to provide
9024	ALSTOP	Yes	R5 079.45	Only supplier who is willing to supply on request for library programmes
9026	ALSTOP	Yes	R5 550.80	Only supplier who is willing to supply on request for library programmes
9027	ALSTOP	Yes	R5 466.60	Only supplier who is willing to supply on request for library programmes
9210	AAS OPERATIONS	Yes	R 36 478.00	In an emergency
9236	Kaap Agri Bedryfs Beperk	Yes	R9 995.36	In an emergency

IKheis Local Municipality
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9267	AAS Operations	Yes	R58 238.30	In an emergency
9268	Lizaro Security Services (Pty) Ltd	Yes	R8 177.14	Due to festive season security services was needed urgently.
9284	Lizaro Security Services (Pty) Ltd	Yes	R8 193.75	Only supplier in the IKheis area with the necessary PSIRA
9283	Lizaro Security Services (Pty) Ltd	Yes	R9 403.41	Only supplier in the IKheis area with the necessary PSIRA
9231	Trans Oranje Drukkers	Yes	R15 349.97	Only supplier available to deliver ontime
9159	Hadedra News Upington	Yes	R5 950.00	Only supplier with available space to advert
9165	JJ verkoeling	Yes	R128 202.00	In an emergency to repair the municipality electrical equipment
	PATHCARE A0081	Yes	-R2 520.80	Emergency, Sole provider
	PATHCARE A0080	Yes	-R2 835.90	Emergency, Sole provider
9400	Thyron	Yes	R3 948.87	Only supplier to deliver before festive season weekend
9372	Lizaro Security Services (Pty) Ltd	Yes	R7 344.00	Protection of Library and municipal building
9353	Destiny Rock Inn	Yes	R13 360.00	Only supplier with available venue
9345	Kaap Agri Bedryfs Beperk	Yes	R2 648.13	Emergency, only two suppliers that can deliver batteries immediately
9346	Kaap Agri Bedryfs Beperk	Yes	R6 415.60	Emergency, only supplier with stock
9328	Gemsbok	Yes	R5 012.16	Only supplier willing to assist municipality
9327	Andrag Agrico	Yes	R14 718.56	Supplier are willing to give the municipality an additional pump while they are repairing the municipality's pump
9417	Gemsbok	Yes	R 2 819.34	Emergency, available space
9420	Kaap Agri	Yes	R 9 996.80	Only two suppliers responded with quotations
	Kaap Agri	Yes	R 9 963.95	In any other exceptional case where it is impractical or impossible to follow official procurement process
9422		Yes		
9424	Thyron	Yes	R 8 258.08	Only supplier that could deliver before the festive season
9427	Broom Engineering	Yes	R 13 310.10	Emergency repair of the vacuum pumps of sewerage trucks
9499	Noble General Services (PTY)Ltd	Yes	R 9 600.00	Only one supplier prodded us with a quote for accommodation, others are fully booked
9500	Noble General Services (PTY)Ltd	Yes	R 6 400.00	Only one supplier prodded us with a quote for accommodation, others are fully booked
9501	Noble General Services (PTY)Ltd	Yes	R 6 400.00	Only one supplier prodded us with a quote for accommodation, others are fully booked

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9499	Noble General Services (PTY)Ltd	Yes	R 9 600.00	Only one supplier prodded us with a quote for accommodation, others are fully booked
8961	Andrag Agrico	Yes	R 4 785.00	In any other exceptional case where it is impractical or impossible to follow official procurement process
Audit Findings	Audit Findings	Yes	R 90 850.00	Findings raised by auditors
			<u>877 034.67</u>	

46. Going Concern Assessment

Management considered the following matters relating to the Going Concern:

On 28 May 2018 the Council adopted the 2018/2019 to 2020/21 Budget. This three-year Medium Term Revenue and Expenditure Framework (MTREF) to support the ongoing delivery of municipal services to residents reflected that the Budget was cash-backed over the three-year period.

Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

As the municipality has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

The municipality is not able to settle supplier accounts within 30 days of receipt of the invoice and 30% of trade payables are outstanding for periods exceeding 30 days;

The municipality is based in a remote area in the Northern Cape Province with little economic activity and many community members are classified as indigent consumers of the municipality. As a result the municipality struggles to collect revenue and this result in significant cash flow problems, which cast significant doubt on the municipality's ability to continue as a going concern. The municipality is dependent on national and provincial grants for its continued existence and capital investment

Taking the aforementioned into account, management has prepared the Annual financial Statements on the Going - Concern basis. However due to events after the reporting date have increase the pressure on IKheis going concern. The application for roll-over of the Unspent Conditional Grants to National Treasury has been disallowed for the previous financial year and municipality had been debited against the equitable shares with the amount for unspent part grant. This money has however already been committed to contractors, which will resulted in the municipality being responsible to fund these projects from own capital.

47. Financial Instruments

2019 2018

In accordance with GRAP 104.45 the financial liabilities and assets of the municipality are classified as follows:

<u>Financial Assets</u>	<u>Classification</u>	2019	2018
Investments			
Unlisted Investments	Financial Instruments at fair value	-	-
FNB	Financial Instruments at cost	113 619	105 730
Fixed Deposits - FNB	Financial Instruments at amortised cost		
Receivables from Exchange Transactions			
Water	Financial Instruments at amortised cost	15 503 002	14 085 293
Sewerage	Financial Instruments at amortised cost	8 995 918	8 171 287
Refuse	Financial Instruments at amortised cost	13 597 944	12 355 336
Other debtors	Financial Instruments at amortised cost	3 534 010	3 765 347
VAT debtors	Financial Instruments at amortised cost	-	-

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Receivables from Non-Exchange Transactions

Various controls	Financial Instruments at amortised cost	1 352 008	880 866
Sundry Debtors	Financial Instruments at amortised cost	2 686 666	1 856 782

Cash and Cash Equivalents

Bank Balances	Financial Instruments at amortised cost	1 731 123	90 724
Call Deposits	Financial Instruments at amortised cost	1 703 153	746

Total Financial Assets		49 217 443	41 312 111
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2019 **2018**

SUMMARY OF FINANCIAL ASSETS

Financial Instruments at amortised cost:

Investments	FNB	113 619	105 730
Investments	Fixed Deposits - FNB	-	-
Receivables from Exchange Transactions	Water	15 503 002	14 085 293
Receivables from Exchange Transactions	Sewerage	8 995 918	8 171 287
Receivables from Exchange Transactions	Refuse	13 597 944	12 355 336
Receivables from Exchange Transactions	Other debtors	3 534 010	3 765 347
Receivables from Exchange Transactions	VAT debtors	-	-
Receivables from Non-exchange Transactions	Various controls	1 352 008	880 866
Receivables from Non-exchange Transactions	Sundry Debtors	2 686 666	1 856 782
Cash and Cash Equivalents	Bank Balances	1 731 123	90 724
Cash and Cash Equivalents	Call Deposits	1 703 153	746

Total Financial Assets		49 217 443	41 312 111
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2019 **2018**

Financial Liabilities

Classification

Long-term Liabilities

DBSA loan	Financial Instruments at amortised cost	-	-
Capitalised Lease Liability	Financial Instruments at amortised cost	874 830	874 830

Trade and Other Payables

Trade Creditors	Financial Instruments at amortised cost	18 080 385	12 943 652
Payments received in advance	Financial Instruments at amortised cost	-	-
Retentions	Financial Instruments at amortised cost	-	-
Other Creditors	Financial Instruments at amortised cost	11 718 261	7 007 585

Total Financial Liabilities		30 673 476	20 826 068
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2019 **2018**

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:

Long-term Liabilities	DBSA loan	-	-
Long-term Liabilities	Capitalised Lease Liability	874 830	874 830
Trade and Other Payables	Trade Creditors	18 080 385	12 943 652
Trade and Other Payables	Payments received in advance	-	-
Trade and Other Payables	Retentions	-	-
Trade and Other Payables	Other Creditors	11 718 261	7 007 585

Total Financial Liabilities		30 673 476	20 826 068
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48. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

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b) Price Risk

The municipality is not exposed to price risk.

c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 9 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Exchange Receivables

Water	37.24%	15 503 002	36.70%	14 085 293
Sewerage	21.61%	8 995 918	21.29%	8 171 287
Refuse	32.66%	13 597 944	32.19%	12 355 336
Other debtors	8.49%	3 534 010	9.81%	3 765 347
VAT debtors	0.00%	-	0.00%	-
	100.00%	41 630 874	100.00%	38 377 263

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 17 and 18 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

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	2019 %	2019 R	2018 %	2018 R
<u>Non-exchange Receivables</u>				
Rates	0.00%	-	18.73%	6 807 752
<u>Exchange Receivables</u>				
Services	100.00%	30 970 161	81.27%	29 532 555
	100.00%	30 970 161	100.00%	36 340 307

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2019 R	2018 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	41 630 874	38 377 263
Cash and Cash Equivalents	3 434 674	92 996
	45 065 549	38 470 259

e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

49. FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

49.1 Financial Indicators

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of GROBLERSHOOP communities resulted in a serious risk for IKHEIS Municipality's going concern.

Unless sustainable job creation is achieved, IKheis Municipality will not be able to function as a independent municipality without Government Grants and Subsidies.

APPENDIX B
IKheis Local Municipality
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2019

	Cost Opening Balance Rand	Prior Year Adjustments Rand	Additions Rand	Disposals Rand	Transfer Rand	Closing Balance Rand	Accumulated Depreciation			Impairment Rand	Additions Rand	Disposal Rand	Transfer Rand	Closing Balance Rand	Carrying Value Rand
							Closing Balance Rand	Opening Balance Rand	Prior Year Adjustment Rand						
Infrastructure															
Water Network	29 663 322.50	-663 551.33	-	-	-	29 169 771.17	-10 547 333	-	539 685.67	-	-	-	-	-11 789 955.59	17 399 815.58
Sewerage Mains & Purification Plant	23 457 807.00	-162 572.25	-	-	-	23 295 234.75	-7 042 154	-	92 809.47	-	-	-	-	-7 920 183.47	15 375 051.28
Electricity Street & Highways	4 896 123.36	1 064 198.04	-	-	-	5 960 321.40	-3 052 146	-	-648 396.80	-	-	-	-	-4 274 161.00	1 686 160.40
Roads	78 581 379.92	-259 928.39	-	-	-	78 321 451.53	-41 784 102	-	5 113.23	-	-	-	-	-44 771 261.73	33 550 188.80
Refuse Disposal Site	1 560 371.83	25 905.07	-	-	-	1 576 276.90	-927 585	-	-	-	-	-	-	-1 011 902.62	564 374.28
	138 339 004.61	4 051.14	-	-	-	138 343 055.75	-63 353 319.98	-	-10 788.43	-	-	-	-	-69 767 464.41	68 575 591.34
Community Assets															
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	12 380 254.15	-1 069 059	204 600.00	-	-	11 515 795.37	-6 799 710.10	-	773 069.00	-	-	-	-	-7 006 756.95	4 509 038.42
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Gardens	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12 380 254.15	-1 069 059	204 600.00	-	-	11 515 795.37	-6 799 710.10	-	773 069.00	-	-	-	-	-7 006 756.95	4 509 038.42
Land and Buildings															
Buildings	57 682 024.70	-4 194 474.97	-	-	-	53 487 549.73	-	-	-	-	-	-	-	-	-
Land	57 682 024.70	-4 194 474.97	-	-	-	53 487 549.73	-	-	-	-	-	-	-	-	-
	115 364 049.40	-8 388 949.94	-	-	-	106 975 099.46	-	-	-	-	-	-	-	-	-
IMAR Database															
Imovables - Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	2 847 760.92	55 053.97	-	-	-	2 902 814.89	-2 705 381.76	-	1 908.97	-	-	-	-	-2 853 830.74	48 984.15
Office Equipment	486 989.98	165 140.82	-	-	-	652 130.80	-469 948.05	-	-110 290.48	-	-	-	-	-619 945.86	32 185.14
Motor Vehicles	4 507 261.48	-64 356.71	-	-	-	4 442 904.77	-3 550 304.88	-	-5 268.14	-	-	-	-	-4 142 811.70	300 113.07
Machinery & Equipment	-	-	11 150.00	-	-	11 150.00	-	-	-	-	-	-	-	-726.63	10 423.37
Other Assets	4 459 897.65	67 414.83	-	-	-	4 527 312.48	-3 621 491.39	-	-73 210.45	-	-	-	-	-3 999 492.90	527 819.58
	12 301 930.03	223 253	11 150.00	-	-	12 536 332.34	-10 247 126.08	-	-186 860.10	-	-	-	-	-11 616 807.63	919 525.31
Lease hold Assets															
Lease hold Assets	3 629 718.00	-	-	-	-	3 629 718.00	-524 307.87	-	-	-	-	-	-	-1 673 834.17	1 955 883.83
	3 629 718.00	-	-	-	-	3 629 718.00	-524 307.87	-	-	-	-	-	-	-1 673 834.17	1 955 883.83
Work-in-progress Assets															
Work-in-progress Assets	22 402 853.14	-	15 023 098.43	-	-	37 425 951.57	-	-	-	-	-	-	-	-	37 425 951.57
	22 402 853.14	-	15 023 098.43	-	-	37 425 951.57	-	-	-	-	-	-	-	-	37 425 951.57
Grand Total	246 735 784.63	-5 036 230	15 238 848.43	-	-	256 938 403.36	-80 324 464.03	-	575 440.47	-	-	-	-	-90 064 863.15	166 873 540

APPENDIX B
Kheis Local Municipality
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2018

	Cost Opening Balance Rand	Prior year Adjustments Rand	Additions Rand	Disposals Rand	Transfer Rand	Accumulated Depreciation			Current Year Depreciation Rand	Impairment Rand	Additions Rand	Disposal Rand	Transfer Rand	Closing Balance Rand	Carrying Value Rand
						Closing Balance Rand	Opening Balance Rand	Prior Year Adjustment Rand							
Infrastructure															
Water Network	21 066 577.48	8 146 112.18	-	-	-	29 232 689.66	-9 333 131	1 075 534.78	-1 785 978.62	-	-	-	-	-10 043 575.23	19 188 114.42
Sewerage Mains & Purification Plant	23 457 807.00	0.16	-	-	-	23 457 807.16	-6 077 309	15 772.36	-980 617.34	-	-	-	-	-7 042 154.45	16 415 652.71
Electricity Street & Highways	4 678 155.10	217 968.26	-	-	-	4 896 123.36	-2 988 867	527 754.15	-492 588.45	-	-	-	-	-2 963 701.06	1 932 422.31
Roads	65 125 579.58	12 846 192.38	609 607.46	-	-	78 581 379.42	-38 797 698	-2 526.09	-2 965 508.03	-	-15 844.04	-	-	-41 781 576.37	36 799 803.05
Refuse Disposal Site	1 576 277.00	-0.10	-	-	-	1 576 276.90	-856 777	13 510.18	-84 317.99	-	-	-	-	-927 584.59	648 692.31
	115 924 396.16	21 210 272.87	609 607.46	-	-	137 744 276.49	-58 063 782.63	1 630 045.39	-6 309 010.42	-	-15 844.04	-	-	-82 788 591.70	74 985 684.79
Community Assets															
Halls	2 886 889.93	-	-	-	-	2 886 889.93	-1 670 800.70	-0.00	-277 617.54	-	-	-	-	-1 948 418.24	938 471.69
Libraries	1 850 383.32	-	-	-	-	1 850 383.32	-1 174 811.94	8.01	-141 907.78	-	-	-	-	-1 316 711.71	573 671.61
Civic Buildings	2 174 349.39	-213 853.32	-	-	-	1 960 496.06	-1 002 282.28	146 304.06	-185 576.14	-	-	-	-	-1 041 554.36	918 941.71
Recreational Grounds	5 143 277.76	-	218 634.47	-	-	5 361 912.23	-1 858 163.80	0.00	-365 323.99	-	-29 436.50	-	-	-2 272 924.27	3 088 987.96
Cemeteries	267 933.06	-	-	-	-	267 933.06	-171 542.54	0.00	-37 695.45	-	-	-	-	-209 237.99	58 695.07
Parks and Gardens	12 639.51	-	-	-	-	12 639.51	-10 068.91	-6.99	-788.80	-	-	-	-	-10 864.70	1 774.81
	12 375 472.97	-213 853	218 634.47	-	-	12 380 254.12	-5 887 670.17	146 305.08	-1 028 909.68	-	-29 436.50	-	-	-6 799 711.27	5 580 542.85
Land and Buildings															
Buildings	4 320 955.95	-	-	-	-	4 320 955.95	-3 037 380.89	-	-392 370.14	-	-	-	-	-3 429 751.04	891 204.91
Land	53 223 626.00	-	-	-	-	53 223 626.00	-	-	-	-	-	-	-	-	53 223 626.00
	57 544 581.95	-	-	-	-	57 544 581.95	-3 037 380.89	-	-392 370.14	-	-	-	-	-3 429 751.04	54 114 830.91
MAR Database															
Movables - Other Assets	2 850 509.70	-19 683.05	74 783.98	-	-	2 905 610.63	-2 566 792.31	550.24	-127 283.96	-	-9 754.80	-	-	-2 703 280.83	202 329.79
Computer Equipment	508 248.55	0.00	-	-	-	508 248.55	-440 716.40	0.01	-29 392.05	-	-	-	-	-470 108.43	38 140.12
Office Equipment	4 289 503.71	0.01	153 421.05	-	-	4 442 924.76	-2 971 823.23	0.00	-571 896.68	-	-6 585.20	-	-	-3 550 305.10	892 619.67
Motor Vehicles	8 133 695.00	-8 004 771.93	10 018.63	-	-	138 941.70	-7 838 619.34	7 738 053.44	-8 989.59	-	-376.04	-	-	-109 931.54	29 010.16
Other Assets	15 781 956.96	-8 024 455	238 223.66	-	-	7 995 725.64	-13 817 951.28	7 738 603.69	-737 562.27	-	-16 716.04	-	-	-6 833 625.90	1 162 099.74
Lease hold Assets															
Lease hold Assets	9 719 301.24	-512 286.72	-	-	-	9 107 012.52	-5 477 294.12	-	-524 307.87	-	-	-	-	-6 001 601.99	3 105 410.53
	9 719 301.24	-	-	-	-	9 107 012.52	-5 477 294.12	-	-524 307.87	-	-	-	-	-6 001 601.99	3 105 410.53
Work-in-progress Assets															
Work-in-progress Assets	37 484 707.09	-	-	-15 081 853.95	-	22 402 853.14	-	-	-	-	-	-	-	-	22 402 853.14
	37 484 707.09	-	-	-15 081 853.95	-	22 402 853.14	-	-	-	-	-	-	-	-	22 402 853.14
Grand Total	248 830 415.37	12 971 965	1 056 465.59	-15 081 853.95	-	247 174 703.86	-86 284 079.09	9 514 954.16	-8 992 150.39	-	-61 996.58	-	-	-85 823 281.89	151 351 421.97

APPENDIX C

IKHEIS MUNICIPALITY

SEGMENTAL ANALYSIS OF CAPITAL ASSETS AS AT 30 JUNE 2019

Description	Cost / Revaluation				Closing Balance	Revaluations	Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Disposals	Transfers			Disposals	Additions	Depreciation	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R
Executive and Council	11 311 195	204 600	-	-	11 515 795	-	(6 026 621)	-	(980 136)	(7 006 757)	4 509 038
Executive & Council	11 311 195	204 600	-	-	11 515 795	-	(6 026 621)	-	(980 136)	(7 006 757)	4 509 038
Finance & Admin	66 012 733	11 150	-	-	66 023 883	-	(10 433 986)	-	(1 182 821)	(11 616 808)	54 407 075
Finance and Administration	66 012 733	11 150	-	-	66 023 883	-	(10 433 986)	-	(1 182 821)	(11 616 808)	54 407 075
Waste Water Management/Sewerage	24 871 512	-	-	-	24 871 512	-	(7 876 930)	-	(1 055 157)	(8 932 086)	15 939 426
Sewerage Mains	24 871 512	-	-	-	24 871 512	-	(7 876 930)	-	(1 055 157)	(8 932 086)	15 939 426
Water Network	29 189 771	-	-	-	29 189 771	-	(10 007 647)	-	(1 782 308)	(11 789 956)	17 399 816
Water Network	29 189 771	-	-	-	29 189 771	-	(10 007 647)	-	(1 782 308)	(11 789 956)	17 399 816
Electricity Network	5 960 321	-	-	-	5 960 321	-	(3 700 542)	-	(573 619)	(4 274 161)	1 686 160
Electricity Network	5 960 321	-	-	-	5 960 321	-	(3 700 542)	-	(573 619)	(4 274 161)	1 686 160
Roads transport	78 321 452	-	-	-	78 321 452	-	(41 778 989)	-	(2 992 273)	(44 771 262)	33 550 190
Roads	78 321 452	-	-	-	78 321 452	-	(41 778 989)	-	(2 992 273)	(44 771 262)	33 550 190
Total	215 666 984	215 750	-	-	215 882 734	-	(79 824 716)	-	(8 566 313)	(88 391 029)	127 491 705

APPENDIX D

IKHEIS MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

2018 Actual Income	2018 Actual Expenditure	2018 Surplus/ (Deficit)	Description	2019 Actual Income	2019 Actual Expenditure	2019 Surplus/ (Deficit)
R	R	R		R	R	R
57 366 793	59 763 469	(2 396 676)	Municipal Owned	65 338 930	64 204 049	1 134 881
-	5 812 227	(5 812 227)	Executive and Council	-	6 030 118	(6 030 118)
40 616 349	24 559 472	16 056 877	Finance & Admin	52 798 425	21 865 637	30 932 789
2 088 742	10 048 805	(7 960 063)	Public Works	755 000	9 783 239	(9 028 239)
14 661 702	16 834 635	(2 172 933)	Waste Water Management	11 785 504	24 221 347	(12 435 843)
-	-	-	Water/Electricity	-	-	-
-	2 508 330	(2 508 330)	Road Transport	-	2 303 708	(2 303 708)
-	-	-				
57 366 793	59 763 469	(2 396 676)	Sub-Total	65 338 930	64 204 049	1 134 881
			Revenue Foregone			
57 366 793	59 763 469	(2 396 676)	Total	65 338 930	64 204 049	1 134 881

IKHEIS MUNICIPALITY
ACTUAL versus BUDGET (REVENUE AND EXPENDITURE)

	Actual	Budget	Explanation of significant variances greater than 10% versus budget
	2019	2019	
	R	R	
REVENUE			
Sale of goods	402 217		
Service Charges	8 839 265	8 429 543	
Rental of Facilities and equipment	275 081	1 092 687	
Licenses and permits	390 557	17 000	
Other income	41 515	4 933 052	
Interest Earned - External Investments	150 657	447 000	
Interest Earned - Consumer accounts	3 857 153	711 936	
Property rates	5 892 176	4 367 871	
Government grants & subsidies	46 384 835	46 966 200	
Total Revenue	66 233 455	66 965 289	
EXPENDITURE			
Employee Related Costs	33 101 260	28 861 252	
Remuneration of Councillors	2 719 179	3 099 156	
Depreciation and Amortisation	9 762 416	4 531 566	
Debt Impairment	3 459 243	5 884 000	
Repairs and Maintenance	1 891 052	1 216 319	
Finance Costs	596 735	-	
Bulk Purchases	1 320 966	2 181 299	
Grants and Subsidies Paid	-	1 338 000	
General Expenses	9 509 598	13 656 459	
Loss on Disposal of Property, Plant and Equipment			
Total Expenditure	62 360 448	60 768 052	
SURPLUS / (DEFICIT) FOR THE YEAR	3 873 007	6 197 237	
OTHER REVENUE / EXPENDITURE INCURRED			
Gain on Disposal of Property, Plant and Equipment	-		
Share of Surplus / (Deficit) of Associate accounted for under the Equity Method	-		
SURPLUS / (DEFICIT) FOR THE YEAR	3 873 007	6 197 237	

APPENDIX E (2)

IKHEIS MUNICIPALITY

BUDGET ANALYSIS OF CAPITAL EXPENDITURE AS AT 30 JUNE 2019

	Budget 2019 R	Additions 2019 R	Variances 2019 R	Variances 2019 %	Explanation of significant variances greater than 10% versus budget
MUNICIPALITY					
Executive and Council	-	-	-	-	0%
Finance and Admin	-	-	-	-	0%
Public Works	-	-	-	-	0%
Comm. & Social/Libraries and archives	-	-	-	-	0%
Housing	-	-	-	-	0%
Public Safety/Police	-	-	-	-	0%
Sport and Recreation	-	-	-	-	0%
Refuse removal	-	-	-	-	0%
Waste Water Management/Sewerage	6 990 366	204 600	7 194 966		0%
Road Transport/Roads	3 576 634	-	3 576 634		0%
Water/Water Distribution	4 000 000	4 500 000	8 500 000		0%
Electricity/Electricity Distribution	-	-	-	-	0%
Other/Air transport	-	-	-	-	0%
Total Capital Expenditure	14 567 000	4 704 600	19 271 600	-	

GRANT REGISTER
KHEIS MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 55 OF 2003

Grants and Subsidies Received 2018/2019																	
Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies Delayed / Withheld				AGREE WITH FILE	Compliance to Revenue Act (*) See Below	PERCENT SPEND	
		June/ rol over amount)	Sept	Dec	March	June	Total	Sept	Dec	March	June	Total					
Financial Management Library Grant Municipal Infrastructure Grant EPWP Incentive Grant Water Services Infrastructure Grant FEEDSM	National Treasury	-	2 415 000.00	-	-	2 415 000.00	1 416 722.48	170 373.41	273 527.04	554 176.83	2 414 799.74	998 277.54	170 373.41	273 527.04	554 176.83	200.26	100
	Sports, Arts & Culture	580 831.00	375 000.00	-	-	1 310 831.00	233 138.16	163 273.03	159 283.48	217 078.04	766 772.71	141 861.84	163 273.03	528 283.48	217 078.04	544 059.29	58
	COGHSTA - National	-	6 920 000.00	-	3 647 000.00	10 587 000.00	4 263 720.38	504 537.20	2 074 403.56	2 697 208.10	9 739 869.23	2 656 279.62	504 537.20	5 721 403.55	2 897 208.10	827 130.77	92
	DP/RT - Provincial	-	250 000.00	450 000.00	300 000.00	1 000 000.00	17 067.60	93 472.05	297 500.59	560 730.43	968 770.67	232 932.40	543 472.05	597 500.59	560 730.43	31 229.33	97
	DWS	-	2 000 000.00	-	6 500 000.00	8 500 000.00	2 770 679.59	130 116.75	-	4 821 320.46	7 522 116.80	-770 679.59	130 116.75	6 500 000.00	4 821 320.46	977 883.20	85
Dept. of Energy		580 631.00	11 960 000.00	450 000.00	10 622 000.00	23 792 631.00	8 701 328.19	1 061 772.44	2 798 714.66	8 850 513.86	21 412 329.15	3 258 671.81	611 772.44	8 023 265.34	2 380 501.65	2 380 501.65	0
Total Grants and Subsidies Received																	

Did your municipality comply with the grant conditions in terms of "Grant Framework" in the latest Division of Revenue Act?

(*) Did your municipality comply with the grant conditions in terms of "Grant Framework" in the latest Division of Revenue Act?

APPENDIX G(1)
IKheis Municipality
BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION) FOR THE YEAR ENDED JUNE 2019

Description	2018/19										2017/18					
	Original Total Budget	Budget Adjustments	Final Adjustments Budget	Shifting of Funds	Virement	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported Unauthorised Expenditure	Expenditure authorised i.t.o. Sect 32	Balance to be Recovered	Restated Audited Outcome	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	
REVENUE - STANDARD Governance and Administration: Executive and Council Budget and Treasury Office Corporate Services Community and Public Safety: Community and Social Services Sport and Recreation Public Safety Housing Health Economic and Environmental Services: Planning and Development Road Transport Environmental Protection Trading Services: Electricity Water Waste Water Management Waste Management Other: License Intergovernmental & Special Projects Total Revenue - Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	42 463 594	1 338 000	43 801 594	-	-	43 801 594	52 798 425	8 996 832	8 996 832	121	124	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4 348 657	572 200	4 920 857	-	-	4 920 857	-	(4 920 857)	(4 165 857)	15	17	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	59 826 376	7 925 058	67 751 434	-	-	67 751 434	65 338 930	(2 412 504)	(1 657 504)	96	109	-	-	-	-	-
EXPENDITURE - STANDARD Governance and Administration: Executive and Council Budget and Treasury Office Corporate Services Community and Public Safety: Community and Social Services Sport and Recreation Public Safety Housing Health Economic and Environmental Services: Planning and Development Road Transport Environmental Protection Trading Services: Electricity Water Waste Water Management Waste Management Other: License Intergovernmental & Special Projects Total Expenditure - Standard Surplus/(Deficit) for the year	8 053 672	(93 000)	7 960 672	-	-	7 960 672	6 090 118	(1 930 553)	(1 930 553)	76	75	-	-	-	-	
	23 549 294	1 615 000	25 164 294	-	-	25 164 294	21 865 637	(3 298 658)	(3 298 658)	87	93	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4 820 824	(756 000)	4 064 824	-	-	4 064 824	9 783 239	5 718 415	5 718 415	241	203	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1 992 371	(7 000)	1 985 371	-	-	1 985 371	2 303 708	(1 985 371)	(1 985 371)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	9 612 290	339 000	9 951 290	-	-	9 951 290	-	(9 951 250)	(9 951 290)	-	-	-	-	-	-	-
	5 662 093	-	5 662 093	-	-	5 662 093	24 221 347	18 559 253	18 559 253	428	428	-	-	-	-	
	4 874 441	-	4 874 441	-	-	4 874 441	-	(4 874 441)	(4 874 441)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
58 564 985	1 098 000	59 662 985	-	-	59 662 985	64 204 049	4 541 064	4 541 064	108	110	-	-	-	-	-	
1 261 391	6 827 058	8 088 449	-	-	8 088 449	1 134 881	(6 198 568)	(6 198 568)	14	90	-	-	-	-	-	

APPENDIX G(2)
IKheis Municipality
RECONCILIATION OF BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE FOR THE YEAR ENDED 30 JUNE 2019

Description	2018/19										2016/17					
	Original Total Budget	Budget Adjustments	Final Adjustments Budget	Shifting of Funds	Virement	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as % of Final Budget		Reported Expenditure	Closing Balance/Estimated to be Audited			
										R	R		R	R	R	R
REVENUE BY VOTE																
Vote 1 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-		
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-		
Vote 3 - Financial Services	42 463 594	2 247 000	44 710 594	-	-	44 710 594	52 798 425	8 087 832	-	118.09	124.34	-	-			
Vote 4 - Technical Services	4 348 657	1 076 402	5 425 059	-	-	5 425 059	755 000	-	(4 670 059)	13.92	17.36	-	-			
Vote 5 - Cleaning Services	13 014 125	1 008 858	14 022 983	-	-	14 022 983	11 785 504	-	(2 237 479)	84.04	90.56	-	-			
Vote 6 - Waste Management	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Vote 7 - Council	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Vote 8 - Water Management	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Vote 9 - Community Services	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Vote 10 - Traffic Services	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Total Revenue by Vote	59 826 376	4 332 260	64 158 636	-	-	64 158 636	65 338 930	8 087 832	(6 907 538)	101.84	109.21	-	-			
EXPENDITURE BY VOTE																
Vote 1 - Office of the Municipal Manager	3 343 790	132 000	3 475 790	-	-	3 475 790	2 136 026	-	(1 339 763)	61.45	63.88	-	-			
Vote 2 - Corporate Services	4 689 610	673 774	5 363 384	-	-	5 363 384	6 343 746	980 362	980 362	118.28	135.27	-	-			
Vote 3 - Financial Services	18 859 684	940 647	19 800 331	-	-	19 800 331	15 521 891	-	(4 278 440)	78.39	82.30	-	-			
Vote 4 - Technical Services	20 148 832	338 500	20 487 332	-	-	20 487 332	12 086 947	-	(8 400 385)	59.00	59.99	-	-			
Vote 5 - Planning & Development	1 992 371	(7 000)	1 985 371	-	-	1 985 371	24 221 347	22 235 976	-	1 219.99	1 215.70	-	-			
Vote 6 - Waste Management	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Vote 7 - Council	4 709 882	(225 000)	4 484 882	-	-	4 484 882	3 894 092	-	(590 790)	86.83	82.68	-	-			
Vote 8 - Water Management	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Vote 9 - Community Services	5 977 771	(756 234)	5 221 537	-	-	5 221 537	-	-	(5 221 537)	0.00	0.00	-	-			
Vote 10 - Traffic Services	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-			
Total Expenditure by Vote	59 721 940	1 096 687	60 818 627	-	-	60 818 627	64 204 049	23 216 338	(18 850 554)	105.57	107.50	-	-			
Surplus/(Deficit) for the year	104 435	3 235 573	3 340 008	-	-	3 340 008	1 134 881	(15 128 506)	11 943 017	33.98	1 086.68	-	-			

APPENDIX G(3)
Kheis Municipality
RECONCILIATION OF BUDGETED FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Description	2018/19										2018/19			
	Original Total	Budget Adjustments	Final Adjustments	Shifting of Funds	Virement	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported Expenditure authorised	Reported Expenditure unauthorised	Restated to be Audited
Revenue by Source	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Property Rates	4 367 871	-	4 367 871	-	-	4 367 871	5 892 176	-	1 524 305	134.90	134.90	-	-	-
Service Charges - Electricity	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Service Charges - Water	4 300 559	(163 713)	4 136 846	-	-	4 136 846	3 959 936	-	(176 910)	95.72	92.08	-	-	-
Service Charges - Sanitation	1 779 379	(132 264)	1 647 115	-	-	1 647 115	2 182 530	-	535 415	132.51	122.66	-	-	-
Service Charges - Refuse	2 890 582	(245 000)	2 645 582	-	-	2 645 582	2 714 255	-	68 673	102.60	93.90	-	-	-
Service Charges - Other	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Rental of Facilities and Equipment	592 687	500 000	1 092 687	-	-	1 092 687	275 081	-	(817 606)	25.17	45.41	-	-	-
Interest Earned - External Investments	280 000	167 000	447 000	-	-	447 000	150 657	-	(296 343)	33.70	53.81	-	-	-
Interest Earned - Outstanding Debtors	166 500	545 436	711 936	-	-	711 936	-	-	(711 936)	0.00	0.00	-	-	-
Dividends Received	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Fines	67 607	(3 614)	63 993	-	-	63 993	-	-	(63 993)	0.00	0.00	-	-	-
Licences and Permits	11 000	6 000	17 000	-	-	17 000	390 557	-	373 557	2 297.40	3 550.52	-	-	-
Agency Services	1 818 000	(933 000)	885 000	-	-	885 000	-	-	(885 000)	0.00	0.00	-	-	-
Transfers Recognised - Operational	27 328 000	571 200	27 899 200	-	-	27 899 200	26 316 024	-	(1 583 176)	94.33	96.30	-	-	-
Other Revenue	1 657 000	312 509	1 969 509	-	-	1 969 509	443 731	-	(1 525 778)	22.53	26.78	-	-	-
Gains on Disposal of PPE	-	1 350 000	1 350 000	-	-	1 350 000	-	-	(1 350 000)	0.00	0.00	-	-	-
Total Revenue (excluding Capital)	45 259 185	1 974 554	47 233 739	-	-	47 233 739	42 324 948	-	(4 908 791)	89.61	93.52	-	-	-
Expenditure														
Employee Related Costs	28 963 741	(102 489)	28 861 252	-	-	28 861 252	33 101 260	4 240 007	4 240 007	114.69	114.29	-	-	-
Remuneration of Councilors	3 099 156	-	3 099 156	-	-	3 099 156	2 719 179	-	(379 977)	87.74	87.74	-	-	-
Debt Impairment	-	5 884 000	5 884 000	-	-	5 884 000	3 459 243	-	(2 424 757)	58.79	0.00	-	-	-
Depreciation and Asset Impairment	4 531 566	-	4 531 566	-	-	4 531 566	9 762 416	5 230 850	5 230 850	215.43	215.43	-	-	-
Finance Charges	-	-	-	-	-	-	596 735	596 735	596 735	0.00	0.00	-	-	-
Bulk Purchases	1 350 418	-	1 350 418	-	-	1 350 418	1 320 966	-	(29 452)	97.82	97.82	-	-	-
Other Materials	2 087 200	(40 000)	2 047 200	-	-	2 047 200	1 891 052	-	(156 148)	92.37	90.60	-	-	-
Contracted Services	3 708 935	(280 982)	3 427 953	-	-	3 427 953	-	-	(3 427 953)	0.00	0.00	-	-	-
Transfers and Grants	1 338 000	1 338 000	1 338 000	-	-	1 338 000	-	-	(1 338 000)	0.00	0.00	-	-	-
Other Expenditure	15 980 961	(5 752 454)	10 228 507	-	-	10 228 507	9 509 598	-	(718 908)	92.97	59.51	-	-	-
Loss on Disposal of PPE	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Total Expenditure	59 721 977	1 046 075	60 768 052	-	-	60 768 052	62 360 448	10 067 592	1 592 396	102.62	104.42	-	-	-
Surplus/(Deficit)	(14 462 792)	928 479	(13 534 313)	-	-	(13 534 313)	(20 035 500)	(10 067 592)	(6 501 187)	0.00	0.00	-	-	-
Transfers Recognised - Capital	14 567 000	4 500 000	19 067 000	-	-	19 067 000	20 067 000	1 000 000	1 000 000	105.24	137.76	-	-	-
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Surplus/(Deficit) after Capital Transfers and	104 208	5 428 479	5 532 687	-	-	5 532 687	31 500	(9 067 592)	(5 501 187)	0.57	30.23	-	-	-
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Surplus/(Deficit) for the Year	104 208	5 428 479	5 532 687	-	-	5 532 687	31 500	(9 067 592)	(5 501 187)	0.57	30.23	-	-	-

APPENDIX G(4)
IKheis Municipality
RECONCILIATION OF BUDGETED CAPITAL EXPENDITURE FOR THE YEAR ENDED JUNE 2019

Description	2018/19										2017/18			
	Original	Budget	Final	Shifting	Virement	Final	Actual	Unauthorised	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported expenditure authorised to be recovered	Balance	Restated Audited Outcome
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
CAPITAL EXPENDITURE - VOTE														
Multi-year Expenditure														
Vote 1 - Executive and council	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 2 - Financial & Administration	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 3 - Public Work	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 4 - Refuse	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 5 - Water	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Total Capital Expenditure - Multi-year	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Single-year Expenditure														
Vote 1 - Executive and council	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 2 - Financial & Administration	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 3 - Public Work	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 4 - Refuse	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Vote 5 - Water	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Total Capital Expenditure - Single-year	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Total Capital Expenditure - Vote	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
CAPITAL EXPENDITURE - STANDARD														
Governance and Administration:														
Executive and council	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Community and Public Safety:														
Community and social services	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Sport and recreation	-	500 000	500 000	-	-	-	204 600	295 400	(295 400)	40.92	0.00	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Housing	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Economic and Environmental Services:														
Planning and development	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Road transport	3 576 634	-	3 576 634	-	-	-	3 748 732	172 097	172 097	104.81	104.81	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Trading Services:														
Electricity	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Water	4 000 000	4 500 000	8 500 000	-	-	-	6 557 834	-	(1 942 166)	77.15	163.95	-	-	-
Waste water management	427 362	-	427 362	-	-	-	-	-	-	-	-	-	-	-
Waste management	6 563 004	-	6 563 004	-	-	-	4 921 133	-	(1 641 871)	74.98	74.98	-	-	-
Other:														
Other	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Total Capital Expenditure - Standard	14 567 000	5 000 000	19 567 000	-	-	19 567 000	15 432 298	467 497	(3 707 340)	78.87	105.94	-	-	-
FUNDED BY:														
National Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	14 567 000	4 500 000	19 067 000	-	-	19 067 000	19 067 000	-	-	100.00	130.89	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Other Transfers and Grants	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Transfers Recognised - Capital	14 567 000	4 500 000	19 067 000	-	-	19 067 000	19 067 000	-	-	100.00	130.89	-	-	-
Public Contributions & Donations	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Internally Generated Funds	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-
Total Capital Funding	14 567 000	4 500 000	19 067 000	-	-	19 067 000	19 067 000	-	-	100.00	130.89	-	-	-

APPENDIX G(5)
Kheis Municipality

RECONCILIATION OF BUDGETED CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

Description	2018/2019					2017/2018	
	Original Total Budget	Budget Adjustments	Final Adjustments Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Ratepayers and Other	11 068 000.00	370 000	11 438 000	11 438 000	4 859 413	42.48	43.91
Government - Operating	27 328 000.00	(3 928 000)	23 400 000	23 400 000	26 316 024		
Government - Capital	14 567 000.00	5 000 000	19 567 000	19 567 000	20 067 000	102.56	137.76
Interest	447 000.00	719 000	1 166 000	1 166 000	4 007 810	343.72	896.60
Dividends	-	-	-	-	-	0.00	0.00
Payments							
Employee costs	-	-	-	-	(35 820 438)		
Suppliers and Employees	-55 190 000.00	3 838 000	(51 352 000)	(51 352 000)	(12 721 617)	0.00	0.00
Finance Charges	-	-	-	-	(596 735)	0.00	0.00
Other payments	-	-	-	-	-		
Other cash items	-	-	-	-	-		
Transfers and Grants	-	-	-	-	-	0.00	0.00
NET CASH FROM / (USED) OPERATING ACTIVITIES	(1 780 000)	5 999 000	4 219 000	4 219 000	6 111 457	144.86	0.00
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on sale of PPE	850 000	850 000	1 350 000	1 350 000	-	0.00	0.00
Purchase of PPE	-	-	-	-	(204 600)	0.00	0.00
Purchase of Intangible Assets	-	-	-	-	-		
Decrease / (increase) in Non-current Investments	-	-	-	-	-	0.00	0.00
Payments							
Capital Assets	-14 567 000.00	(500 000)	(15 067 000)	(15 067 000)	-	0.00	0.00
NET CASH FROM / (USED) INVESTING ACTIVITIES	(13 717 000)	350 000	(13 717 000)	(13 717 000)	(204 600)	0.00	0.00
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Repayment of borrowings	-	-	-	-	-	0.00	0.00
Increase/decrease in consumer deposits	-	-	-	-	(818 160)		
Finance lease payments	-	-	-	-	-		
New Loans raised	-	-	-	-	-	0.00	0.00
Payments							
Loans repaid	-	-	-	-	-	0.00	0.00
NET CASH FROM / (USED) FINANCING ACTIVITIES	-	-	-	-	(818 160)	0.00	0.00
NET INCREASE / (DECREASE) IN CASH HELD	(15 497 000)	6 349 000	(9 498 000)	(15 497 000)			
Cash / Cash Equivalents at the Year begin:	2 225 275	1 183 000	3 408 275	3 408 275	3 341 678	98.05	150.17
Cash / Cash Equivalents at the Year end:	(2 225 275)	(1 183 000)	(3 408 275)	(3 408 275)	92 996	0.00	0.00
					3 434 674	0.00	0.00



ANNEXURE B

AUDIT REPORT

2017/2018



ANNEXURE C

AUDIT REPORT

2018/2019

Report of the auditor-general to the Northern Cape Provincial Legislature and the council on !Kheis Local Municipality

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the !Kheis Local Municipality set out on pages x to x, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Disclaimer of opinion

Cash and Cash equivalents

3. I was unable to obtain sufficient appropriate audit evidence for reconciling items relating to cash and cash equivalents due to the poor status of the accounting records. Furthermore, the municipality did not correctly account for cash and cash equivalents in accordance with GRAP 1, I identified payments and receipts in the cash book but not in the general ledger. I was unable to determine cash and cash equivalents by alternative means. Consequently, I was unable to determine whether adjustment was necessary to cash and cash equivalents stated at R3 434 674 in the financial statements.

Property, plant and equipment

4. I was unable to obtain sufficient appropriate audit evidence for property plant and equipment as the municipality did not have adequate systems to maintain records for property plant and equipment. I was unable to confirm the amount disclosed by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to property plant and equipment stated at R166 873540 in the financial statements.
5. During 2018, I was unable to obtain sufficient appropriate audit evidence for the property, plant and equipment relating to buildings, infrastructure and work-in-progress as the municipality did not have adequate systems to maintain records for property, plant and equipment. I was unable to confirm the amount disclosed by alternative means. Furthermore, VAT was incorrectly included in Work-in-Progress additions resulting in Work-in-Progress overstated and VAT understated by R103 567. Consequently, I was unable to determine whether any adjustment relating to buildings, infrastructure and

Work-in-Progress stated at R151 503 370 in note 4 to the financial statements was necessary.

6. During 2018, The municipality did not depreciate property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. The incorrect useful lives of fixed assets were applied for the calculation of depreciation. Consequently, property, plant and equipment was understated and depreciation and amortisation was overstated by R3 529 945.
7. The municipality did not record finance leases in accordance with GRAP 13, *Leases*. The lease liability does not agree with the amortisation schedules. In addition, I was unable to obtain sufficient appropriate audit evidence regarding the value of lease hold assets stated at R1 955 884 (R3 105 410) in note 4 to the financial statements, as I was unable to verify the fair values of lease hold assets. Consequently, I was unable to determine whether any adjustments relating to lease hold assets and finance lease liabilities were necessary.

Trade and other receivables from exchange transactions

8. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as trade debtors as a result of the difference between the debtor's age analysis and the financial statements for the current and prior year. I could not confirm trade receivables by alternative means. Consequently, I was unable to determine whether any adjustment relating to receivables from exchange transactions stated as R 10 660 713 (2018: R8 844 709) in note 9 to the financial statements was necessary.
9. During 2018, the municipality did not recognise the allowance for doubtful debts in accordance with GRAP 104, *Financial instruments*, as the municipality did not consider all credit exposure. Additionally, there was a resultant impact on the deficit for the period and on the accumulated surplus. I was unable to confirm the impact on receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustment relating to receivables from exchange in the financial statements, was necessary.

Other receivables from non- exchange transactions

10. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as trade debtors as a result of the difference between the debtor's age analysis and the financial statements for the current and prior year. I could not confirm trade receivables by alternative means. Consequently, I was unable to determine whether any adjustment relating to receivables m exchange transactions stated as R 4 038 674 (2018: R6 197 153) in note 7 to the financial statements was necessary.
11. During 2018, the municipality did not recognise the allowance for doubtful debts in accordance with GRAP 104, *Financial instruments*, as the municipality did not consider all credit exposure. Additionally, there was a resultant impact on the deficit for the period and on the accumulated surplus. I was unable to confirm the impact on receivables from

non - exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustment relating to receivables from non - exchange, in the financial statements, was necessary.

Payables from exchange transactions

12. I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions due to the poor status of the accounting records. I could not confirm the payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to trade and other payables from exchange transactions stated at R30 296 328 in the financial statements.
13. During 2018, I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions as a result of underlying records not provided to substantiate trade payables, suspense accounts, third party payments, retention fees and debtors with credit balances. I was unable to confirm the balances by alternative means. Furthermore, the basis for the calculation of employee taxes was not in accordance with GRAP 1, *Presentation of Financial Statements*. Consequently, I was unable to determine whether any adjustment relating to payables from exchange transactions stated as R17 475 791 in note 15 to the financial statements was necessary.

VAT receivable

14. I was unable to obtain sufficient appropriate audit evidence regarding VAT receivable and payable provision for current and previous year due to an inadequate management accounting and information system to account for VAT. Consequently, VAT was understated and total receivables and payables were overstated by an undetermined amount. Consequently, I was unable to determine whether any adjustments were necessary to the financial statements as it was impractical to do so.

Provisions

15. The municipality did not recognise provisions in accordance with GRAP 19, *Provisions, contingent liabilities and contingent assets* pertaining to the provision of landfill sites. A provision for rehabilitation was not made for some landfill sites still under the control of the municipality. I was unable to determine the full extent of the misstatement in the current and previous year as it was impracticable to do so. Furthermore, VAT was incorrectly included in the provision for landfill sites. Consequently, the provision was overstated and VAT understated by R706 450. I was unable to determine whether any further adjustment was necessary relating to provisions stated at R5 416 113 (2018: R4 089 111) in note 13 to the financial statements.

Unspent conditional grants

16. The municipality did not recognise all outstanding amounts meeting the definition of liability in accordance with *GRAP 1, Presentation of financial statements* relating to

unspent conditional grants due to the municipality incorrectly recognising conditional grants as revenue from non-exchange transactions on the initial recognition. Consequently, revenue from non-exchange transactions was overstated and unspent conditional grants was understated by undetermined amount. Additionally, there was an impact on the surplus for the period on the accumulated surplus in the financial statements.

Revenue from exchange transactions

17. I was unable to obtain sufficient appropriate audit evidence that the municipality had properly accounted for service charges, due to the status of the accounting records. The municipality did not have adequate systems of internal control for the recording of all transactions. I could not confirm service charges by alternative means. In addition, there was a resultant impact on receivables from exchange transactions. Consequently, I was unable to determine whether any adjustments were necessary to service charges, stated at R8 839 265 (2018: R9 904 817) in note 20 to the financial statements.
18. During 2018, the municipality did not record revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Service charges were not levied in terms of the approved tariffs and meter readings, as the sale of water was not charged in accordance with meter readings. Sewerage and refuse removal was also not levied to users in terms of the approved tariffs. In addition, I was unable to confirm whether all water, sewerage and refuse removal charges were recorded in the accounting records. I was unable to confirm the balance recognised to revenue on service charges as well as receipts. I was unable to determine the full extent of the misstatement as it was impracticable to do so for the current and prior period.
19. During 2018, the municipality did not record revenue from the sale of stands in accordance with GRAP 9, *Revenue from exchange transactions*. The sale of stands was recognised where risk and rewards was not yet transferred to the buyer. Furthermore, I was unable to determine whether all the stands that were sold were recorded in the accounting records. Consequently, sale of goods was misstated by an undetermined amount. In addition, I was unable to determine whether any further adjustments to sale of goods stated at R204 442 to the financial statements were necessary.

Revenue from non-exchange transactions

20. The municipality did not recognise revenue from property rates in accordance with GRAP 23, *Revenue from non-exchange transactions*. Property rates were not levied in terms of the approved tariffs and the valuation roll. In addition, I was unable to confirm whether all property rates that the municipality is entitled to were recorded in the accounting records. Furthermore, the categories disclosed for the narrative relating to the valuation roll was not accurate. Consequently, property rates were misstated by an undetermined amount. I was unable to determine the full extent of the misstatement as it was impracticable to do so for the current and previous year.

Interest received – consumer accounts

21. I was unable to obtain sufficient appropriate audit evidence for the interest received – consumer accounts for the current and prior year, due to the limitation of scope on accounts receivable and the formula of calculating interest received- consumer accounts. I was unable to confirm the accuracy of the interest received – consumer accounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to interest received – consumer accounts stated at R3 857 153 (R3 607 909) in the financial statements.

General expenses

22. I was unable to obtain sufficient appropriate audit evidence regarding the general expenses as the municipality did not have adequate systems to maintain records for general expenses. I was unable to confirm this amount disclosed by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the general expenses stated as R9 509 598 in the financial statements.
23. During 2018, the municipality did not classify all items of expenses in accordance with GRAP 1 *Presentation of financial statements*. General expenses and repairs and maintenance was classified incorrectly. Furthermore, in certain instances transactions were recorded in the incorrect accounting period. Consequently, general expenditure and repairs and maintenance was misstated by an undetermined amount. In addition, the municipality did not have adequate systems to maintain expenditure. Consequently, I was unable to determine whether any adjustment relating to general expenditure stated at R13 709 301 in note 23 and repairs and maintenance stated at R871 232 to the financial statements was necessary.

Personnel Costs

24. I was unable to obtain sufficient appropriate audit evidence regarding the personnel costs as the municipality did not have adequate systems to maintain records for personnel cost. I was unable to confirm this amount disclosed by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the personnel cost stated as R33 101 260, in the financial statements.

Repairs and maintenance

25. The municipality did not classify all items of repairs and maintenance in accordance with GRAP 1, *Presentation of financial statements*. As repairs and maintenance included movement of landfill site between current year and prior year. Consequently, repairs and maintained was overstated and finance cost is understated by R1 327 003. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Commitments

26. The municipality did not have adequate systems in place to record commitments, which resulted in commitments overstated by R2 204 586. In addition, I was unable to obtain sufficient appropriate audit evidence as the municipality did not maintain accurate and complete records of the commitments information used to determine commitments. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to

determine whether any further adjustments to commitments stated at R8 819 977 in the financial statements were necessary

Irregular expenditure

27. The municipality did not include the required information on irregular expenditure in the notes to the financial statements as required by section 125(2)(d) of the MFMA. The municipality incurred expenditure in contravention of the supply chain management (SCM) requirements that was not included in irregular expenditure. The municipality did not have adequate systems to maintain complete records of irregular expenditure. Due to this lack of systems, I was not able to confirm the amount of irregular expenditure to be disclosed by alternative means. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the transactions disclosed as irregular expenditure. Consequently, I was unable to determine whether any further adjustment to irregular.

Unauthorised expenditure

28. I was unable to obtain sufficient appropriate audit evidence that unauthorised expenditure had been properly accounted for, due to the status of the accounting records. I was unable to confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to unauthorised expenditure stated at R15 128 506 (R3 829 861) in the financial statements.

Prior period errors

29. The municipality did not disclose prior period errors in note 39 to the financial statements, as required by GRAP 3, *Accounting policies, estimates and errors*. The nature and amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest previous period were not disclosed in all instances. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in note 39 to the financial statements.

Cash flow Statements

30. I was unable to obtain sufficient appropriate audit evidence for the current and previous year regarding the cash flow statement as well as differences between my calculations and the amounts disclosed in the cash flow statement. I was unable to confirm the accuracy of the cash flow statement by alternative means. Consequently, I was unable to determine whether any adjustments relating to the cash flow statement in the financial statements were necessary.

Distribution Losses

31. The municipality did not disclose the required information on material losses in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA. No distribution losses were disclosed in the notes to the financial statements for the current and prior years due to the municipality not implementing adequate control measures to

reliably calculate these losses. Consequently, I was unable to determine the full extent of the understatement of distribution losses.

Statement of change in net assets

32. I was unable to obtain sufficient appropriate audit evidence for the transactions included in the statement as the municipality did not maintain records of differences between the underlying records as well as correction of errors made. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to these amounts.

Other matters

33. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

In terms of section 125(2)(e) of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

34. The supplementary information set out on pages x to x does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

35. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
36. In preparing the financial statements, the accounting officer is responsible for assessing the !Kheis Local municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

37. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
38. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) , parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and the ethical requirements that are relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

Report on the audit of the annual performance report

Introduction and scope

39. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2019:
40. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
41. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
42. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2019:

Objectives	Pages in the annual performance report
<i>SO 2: To ensure efficient infrastructure and energy supply and improve our public relations thereby pledging that our customers are serviced with dignity and care.</i>	x – x

43. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

44. The material findings in respect of the usefulness and reliability of the selected objectives are as follows:

SO 2: To ensure efficient infrastructure and energy supply and improve our public relations thereby pledging that our customers are serviced with dignity and care.

Various indicators

45. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the below targets. This was due to a lack of technical indicator descriptions, proper performance management systems and processes and formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievements as reported in the annual performance report.

Indicator Description	Planned Target	Reported Achievement
10% of water losses reduction by 30 June 2019	10%	0%
To achieve 60% of Blue drop by 30 June 2019	60%	54%
To achieve 10% on Sanitation (Green Drop) by 30 June 2019	10%	0%
Sternham In-situ upgrading of Internal Residential	3Km	3Km

Indicator Description	Planned Target	Reported Achievement
Streets 3 km paving. (1267)		
Installation of Sternham and Duineveld Sewer Reticulation and Pump Station by 30 June 2019	1	80%
Implementing of Project Brandboom Bulk Water Supply Upgrade by 30 June 2019	1	15%
Handing Over of 50 Title deeds by 30 June 2019	Request of 50 title deeds from Coghsta	Request of 50 title deeds from Coghsta
Providing 2160 of households with basic Sanitation per annum and 540 per Quarter.	2160	2583
Providing 3880 of households with solid waste removal per annum.	3880	4298
Implementation progress report of the project Construction of Sewer Reticulation, Pump Station in Grootdrink by 30 June 2019.	1	85%
Project progress report on the 305 households with basic electricity ESKOM by 30 June 2019	305	Not reported on in the APR.
Development of an infrastructure maintenance program by 30 September 2018	1	Not reported on in the APR.
Quartely implementation report of the infrastructure maintenance report from Q2	1	Not reported on in the APR.
Review and approval of maintenance of infrastructure by 31 March 2019.	1	Not reported on in the APR.
Review of 1 infrastructure investment pain by 30 September 2018	1	Not reported on in the APR.
Implementation of Kheis UDS project (Installation of UDS toilets)	1	Not reported on in the APR.
Project progress report 1000 household with a metered water connection by 30 June 2019.	1000	Not reported on in the APR.
Providing 183 of households with basic Sanitation by 30 June 2019	183	Not reported on in the APR.

Various indicators

46. A comparison between the performance of the year under review and the previous year was not included in the annual performance report for the following key performance indicators.

Indicator Description	Planned Target	Reported Achievement
Implementation progress report of the project Construction of Sewer Reticulation, Pump Station in Grootdrink by 30 June 2019.	1	85%
10% of water losses reduction by 30 June 2019	10%	0%
To achieve 60% of Blue drop by 30 June 2019	60%	53%
To achieve 10% on Sanitation (Green Drop) by 30 June 2019	10%	0%
Sternham In-situ upgrading of Internal residential Streets 3 km paving. (1267)	3km	3km
Installation of Sternham and Duineveld Sewer Reticulation and Pump Station by 30 June 2019	1	80%
Submission of 1 Business Plan for Gariep Water Supply by 30 June 2019.	1	1
To create 57.68 FTE's by implementing the project Upgrading of main street in Groblershoop town - Phase 2 by 29 March 2019	57,68	41,32
Project progress report on the 305 households with basic electricity ESKOM by 30 June 2019	305	0
Implementing of Project Brandboom Bulk Water Supply Upgrade by 30 June 2019	1	15%
Providing 2160 of households with basic Sanitation per annum and 540 per Quarter.	2160	2583
Providing 3880 of households with solid waste removal per annum.	3880	4298
Submission and approval of 1 Waste Management	1	1

Indicator Description	Planned Target	Reported Achievement
Policy		
Handing Over of 50 Title deeds by 30 June 2019	50	50
Development of an infrastructure maintenance program by 30 September 2018	1	Not reported in the APR
Quarterly implementation report of the infrastructure maintenance report from Q2	3	Not reported in the APR
Review and approval of maintenance of infrastructure by 31 March 2019.	1	Not reported in the APR
Review of 1 infrastructure investment plan by 30 September 2018	1	Not reported in the APR
Implementation of Kheis UDS project (Installation of UDS toilets)	1	Not reported in the APR
Project progress report 1000 household with a metered water connection by 30 June 2019.	1000	Not reported in the APR
Providing 183 of households with basic Sanitation by 30 June 2019	183	Not reported in the APR

Various indicators

47. The indicators listed below were approved in the service delivery and budget implementation plan (SDBIP) but were not included in the annual performance report. This change was also not approved.

Indicator description	Planned target
Development of an infrastructure maintenance program by 30 September 2018	1
Quarterly implementation report of the infrastructure maintenance report from Q2	3
Review and approval of maintenance of infrastructure by 31 March 2019.	1
Review of 1 infrastructure investment plan by 30 September 2018	1

Providing 183 of households with basic Sanitation by 30 June 2019	183
Implementation of !Kheis UDS project (Installation of UDS toilets)	1
Project progress report 1000 household with a metered water connection by 30 June 2019.	1000
Project progress report on the 305 households with basic electricity ESKOM by 30 June 2019	305 houses

Various indicators

48. The targets for the below performance indicators in the annual performance report were not consistent with the approved targets in the service delivery budget and implementation plan, these changes were made without the necessary approval. Additionally, the reported achievements of the performance indicators were not consistent with the planned targets.

Indicator Description	Planned Target	Reported Achievement
Implementaion progress report of the project Construction of Sewer Reticulation, Pump Station in Grootdrink by 30 June 2019.	30-Jun-19	85%
Installation of Sternham and Duineveld Sewer Reticulation and Pump Station by 30 June 2019	30-Jun-19	80%
Implementing of Project Brandboom Bulk Water Supply Upgrade by 30 June 2019	30-Jun-19	15%
10% of water losses reduction by 30 June 2019	10	0
To achieve 60% of Blue drop by 30 June 2019	60	53.4%
Sternham In-situ upgrading of Internal residential Streets 3 km paving. (1267)	3km	3km
Handing Over of 50 Title deeds by 30 June 2019	50	50

Various indicators

49. The measures taken to improve performance against targets for the indicators listed below were not included in the annual performance report.

Indicator Description	Planned Target	Reported Achievement
10% of water losses reduction by 30 June 2019	10%	0%
To achieve 60% of Blue drop by 30 June 2019	60%	53%
Submission and approval of 1 Waste Management Policy	1	1
To achieve 10% on Sanitation (Green Drop) by 30 June 2019	10%	0%
To create 57.68 FTE's by implementing the project Upgrading of main street in Groblershoop town - Phase 2 by 29 March 2019	57,68	41,32

Various indicator

50. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows.

Indicator description	Reported achievement	Audited value
Submission of 1 Business Plan for Gariep Water Supply by 30 June 2019.	1	0
Submission and approval of one waste management policy	1	0

Other matter

51. I draw attention to the matter below.

Achievement of planned targets

52. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x to x of this report.

Report on the audit of compliance with legislation

Introduction and scope

53. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

54. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance reports and annual reports

55. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, current liabilities, revenue, expenditure and disclosure items were identified by the auditors in the submitted financial statements, the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.

56. The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

57. The 2017/18 annual report was not made public after being tabled in council, as required by section 127(5)(a) of the MFMA.

58. The local community was not invited to submit representations in connection with the 2017/18 annual report, as required by section 127(5)(a) of the MFMA.

59. The council failed to adopt an oversight report containing the council's comments on the annual report (within the prescribed timelines), as required by section 129(1) of the MFMA.

Expenditure management

60. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

61. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds, as required by section 65(2)(a) of the MFMA.
62. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.
63. Reasonable steps were not taken to prevent fruitless and wasteful expenditure as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
64. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending on the approved budget.

Revenue management

65. An effective system of internal control for debtors was not in place, as required by section 64(2)(f) of the MFMA.
66. I was unable to obtain sufficient appropriate audit evidence that interest had been charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Asset management

67. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.
68. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

Liability management

69. An effective system of internal control for liabilities (including a liability register) was not in place, as required by section 63(2)(c) of the MFMA.

Strategic planning and performance management

70. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review and reporting should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Procurement and contract management

71. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c).
72. Some of the quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b).
73. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
74. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.
75. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
76. Some of the competitive bids were adjudication by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).
77. The preference point system was not applied some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act.
78. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
79. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Human Resource Management

80. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

Utilisation of conditional grants

81. The Municipal Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Division of Revenue Act (Act 3 of 2017).
82. Performance in respect of programmes funded by the Municipal Infrastructure Grant was not evaluated, as required by section 12(5) of the DoRA.
83. The Water Services Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Division of Revenue Act (Act 3 of 2017).

84. Performance in respect of programmes funded by the Water Services Infrastructure Grant was not evaluated, as required by section 12(5) of the DoRA.
85. Performance in respect of programmes funded by the Expanded Public Works Programme was not evaluated, as required by section 11(6)(b) of the DoRA.
86. The Library Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Division of Revenue Act (Act 3 of 2017).

Consequence management

87. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
88. Irregular expenditure and fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

89. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
90. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
91. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
92. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary

Internal control deficiencies

93. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below

are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

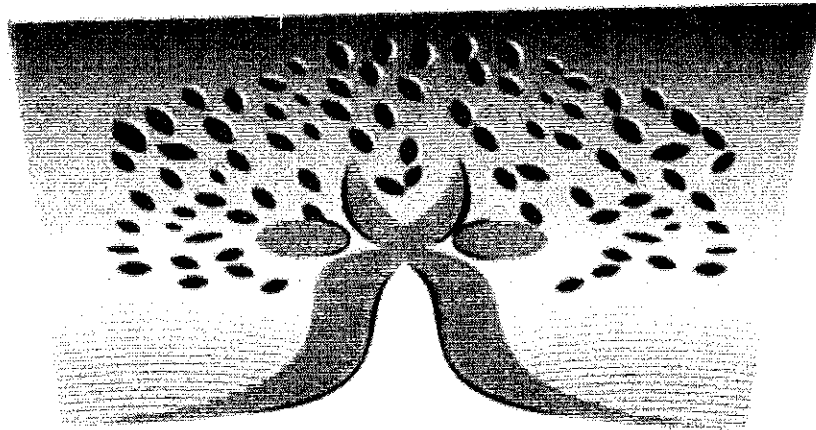
94. The leadership did not oversee the financial and performance reporting, compliance and related internal controls. The leadership did not ensure that there were processes to review information before submission. Material errors were detected in the financial statements, and non-compliance with legislation and internal control deficiencies were noted throughout the audit process.
95. The leadership did not ensure that the municipality complied with applicable legislation. Material findings on non-compliance with legislation were raised in the year under review. The municipality's internal processes and systems did not prevent material non-compliance or irregular, unauthorised as well as fruitless and wasteful expenditure.
96. The leadership compiled an action plan based on audit report findings; however, it did not adequately monitor the existing action plan to ensure that corrective action was taken when required and within the required time frames. This resulted in material findings similar to the previous year's reoccurring in the current financial year.
97. The leadership did not oversee that the information technology operations effectively since material differences were noted between various financial reports exported from the system.
98. Weekly and monthly reconciliations were not always adequately prepared for financial items during the year including creditors, debtors and fixed assets. This has resulted in the municipality being required to rely on manual reconciliation at year-end. Due to the significant increase in volume of manual reconciliation required, assurance processes were not implemented timeously to ensure that the information is accurate and complete. As a result, a number of errors in the reconciliations were identified by the external auditors and on some of the listings no reliance could be placed as material differences existed which resulted in the limitation of scope of the financial statement line item.
99. The annual performance report contained numerous items that could not be traced to supporting listings and documentation. This was due to staff members within the reporting units not fully understanding the performance information requirements for audit purposes.
100. Management failed to monitor and review the financial statements and performance information to ensure the achievement of the fair presentation and this resulted in material misstatement on the annual financial statements.

Other reports

101. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial

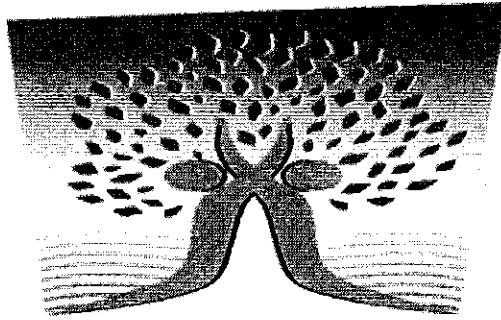
statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

102. The Directorate for Priority Crime Investigation (Hawks) is investigating allegations of irregularities in the supply chain management processes applied by the municipality. These proceedings were in progress at the date of this report.



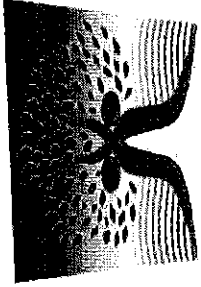
! Kheis
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Municipality

ANNUAL REPORT
APPENDICES
2018/2019



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APPENDIX A



Kheis
Municipality

Private Bag x2

GRORIERSHOOP

Phone: 054 – 833 9500

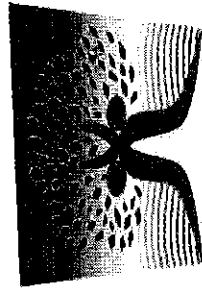
Fax: 054 – 833 9509

WARD COUNCILLORS

NAME AND SURNAME	CONTACT DETAILS	POLITICAL AFFILIATION	DESIGNATION	WARD
1. Andries Diergaardt	Cell Nr: 083 511 8369 E-Mail: andriesd2@gmail.com	ANC	MAYOR	1
2. Sameul Esau	Cell Nr: 082 855 0621 E-Mail: mokauesau@gmail.com	ANC	WARD COUNCILLOR	2
3. Abraham Tobias	Cell Nr: 078 535 7717 E-Mail: atobias53@gmail.com	ANC	WARD COUNCILLOR	3
4. Joseph Silo	Cell Nr: 073 015 1756 E-Mail: silojoseph94@gmail.com	ANC	WARD COUNCILLOR	4

PR COUNCILLORS

5. Koos Esau	Cell Nr: 073 140 7811 E-Mail: koosesau@gmail.com	Congress of the People
6. Gert Beukes	Cell Nr: 073 669 5708 E-Mail: gertbeukesa@gmail.com	Democratic Alliance
7. Sandra Cloete	Cell Nr: 078 456 4758 E-Mail: sandracloete54@gmail.com	Congress of the People



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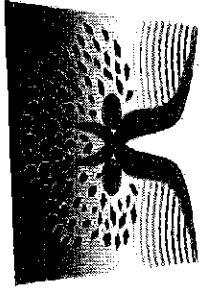
Kheis
Municipality

Phone: 054 – 833 9500

Fax: 054 – 833 9509

COUNCIL MEETINGS ATTENDANCE 2018/2019

NAME OF COUNCILLORS	COUNCIL	
	HELD	ATTENDED
1. Andries Diergaardt	7	7
2. Sameul Esau	7	7
3. Abraham Tobias	7	7
4. Joseph Silo	7	7
5. Koos Esau	7	7
6. Gert Beukes	7	7
7. Elizabeth Cloete	7	7



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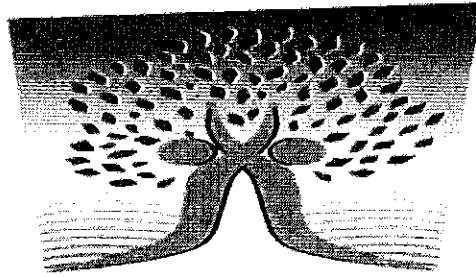
GRORIFRSHOOP

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Fax: 054 – 833 9509

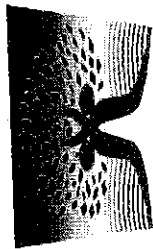
COUNCIL RESOLUTIONS 2018/2019

DATE	RESOLUTIONS		
	Taken	Implemented	Reason if not Implemented
31 July 2018	12	Yes	
30 August 2018	7	Yes	
27 September 2018	12	Yes	
30 October 2018	5	Yes	
05 November 2018	1	Yes	
20 November 2018	1	Yes	
29 November 2018	4	Yes	



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Appendix B



Kheis
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Fax: 054 – 833 9509

COMMITTEE MEETINGS 2018/2019

HEALTH AND SOCIAL SERVICES

1. Cllr A Tobias (Chairperson)

2. Cllr J.Silo
3. Cllr G. Beukes
4. Cllr E Cloete
5. Mr C.S. van Eck
6. Mr. A Daniels
7. Mr. M. P Roberts
8. Mr. J Esau
9. Mr. P. Koopman
10. Mr. D. Dolop
11. Mr. D. Jacobs

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE

1. Cllr J.Silo (Chairperson)

2. Cllr S. Esau
3. Cllr E. Cloete
4. Mr. DR van der Westhuizen
5. Mr. D Dolopi
6. Mr. C. S van Eck
7. Mr. D Jacobs
8. Mr. A Daniels
9. Mr. J Esau
10. Mr. P. Koopman
11. Mr. M. P Roberts

FINANCIAL VIABILITY & ADMINISTRATION

1. Cllr S. Esau (Chairperson)

2. Cllr J Silo
3. Cllr K. Esau
4. Mr. D Jacobs
5. Mr. C. S van Eck
6. Ms. S. Mahonie
7. Mr. DR v/d Westhuizen
8. Mr. W Oor
9. Mr. D. Dolopi
10. Mr. G Baster
11. Mr. C Bitterbos
12. Mr. S George
13. Ms. V. Koopman

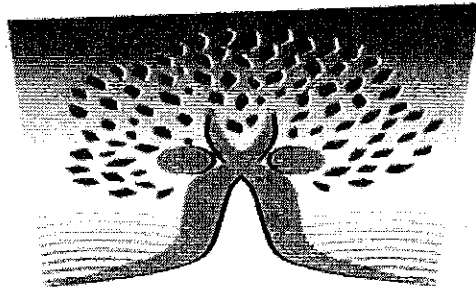
MUNICIPAL PUBLIC ACCOUNTS (MPAC)

1. Cllr J.Silo (Chairperson)

2. Cllr S. Esau
3. Cllr A. Tobias
4. Cllr G. Beukes
5. Cllr E. Cloete
6. Cllr K. Esau
7. Ms. S. Mahonie
8. Mr. D Jacobs
9. Mr. C. S van Eck
10. Mr. D.R. van der Westhuizen
11. Mr. D Dolopi
12. Mr. G Baster
13. Ms. V. Koopman

NAME OF COUNCILLORS	HEALTH AND SOCIAL SERVICES		FINANCIAL VIABILITY COMMITTEE		ECONOMIC DEVELOPMENT AND INFRASTRUCTURE	
	HELD	ATTEND	HELD	ATTEND	HELD	ATTEND
1. Andries Diergaardt	1	0	1	0	1	0
2. Sameul Esau	1	1	1	1	1	1
3. Abraham Tobias	1	1	1	1	1	1
4. Joseph Silo	1	1	1	1	1	1
5. Koos Esau	1	1	1	1	1	1
6. Gert Beukes	1	1	1	1	1	1
7. Elizabeth Cloete	1	1	1	1	1	1

NAME OF COUNCILLORS	MUNICIPAL PUBLIC ACCOUNTS	
	HELD	ATTEND
1. Andries Diergaardt	4	2
2. Sameul Esau	4	4
3. Abraham Tobias	4	3
4. Joseph Silo	4	4
5. Koos Esau	4	3
6. Gert Beukes	4	4
7. Sandra Cloete	4	4



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APPENDIX C

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Fax: 054 – 8330690

ITEM:	05/06/2018
RESOLUTION	Organizational Structure 2018/2019

COUNCIL MEETING – 29 JUNE 2018

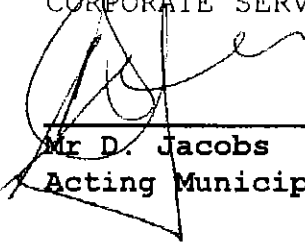
The Council of !Kheis Municipality took the decision during a Council meeting held on the 29 June 2018,

The Council:

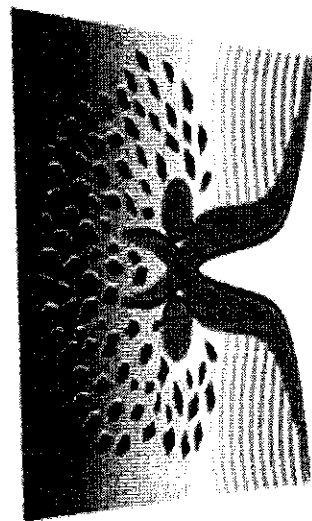
1. Approves the Organizational Structure 2018/2019

Proposal	Cllr A.Tobias
Seconding	Cllr J.Silo

EXECUTION
CORPORATE SERVICE


Mr D. Jacobs
Acting Municipal Manager

!KHEIS MUNISIPALITEIT
Privaatsak / Private Bag X2 Groblershoop 8850
2018 -06- 29
Tel: 054 833 9500 Fax: 054 833 0690
!KHEIS MUNICIPALITY

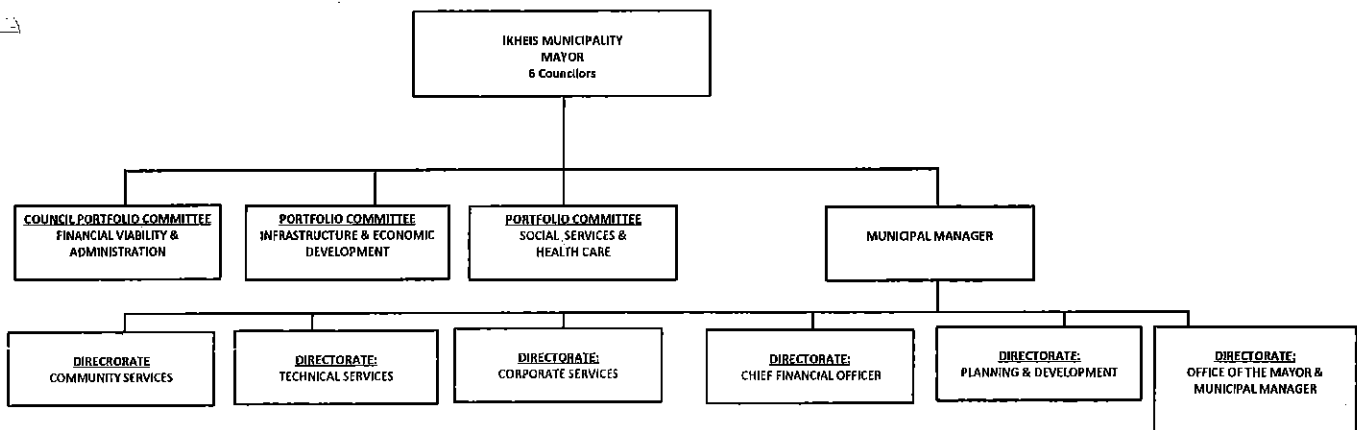


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Municipality

Draft Organisational Structure

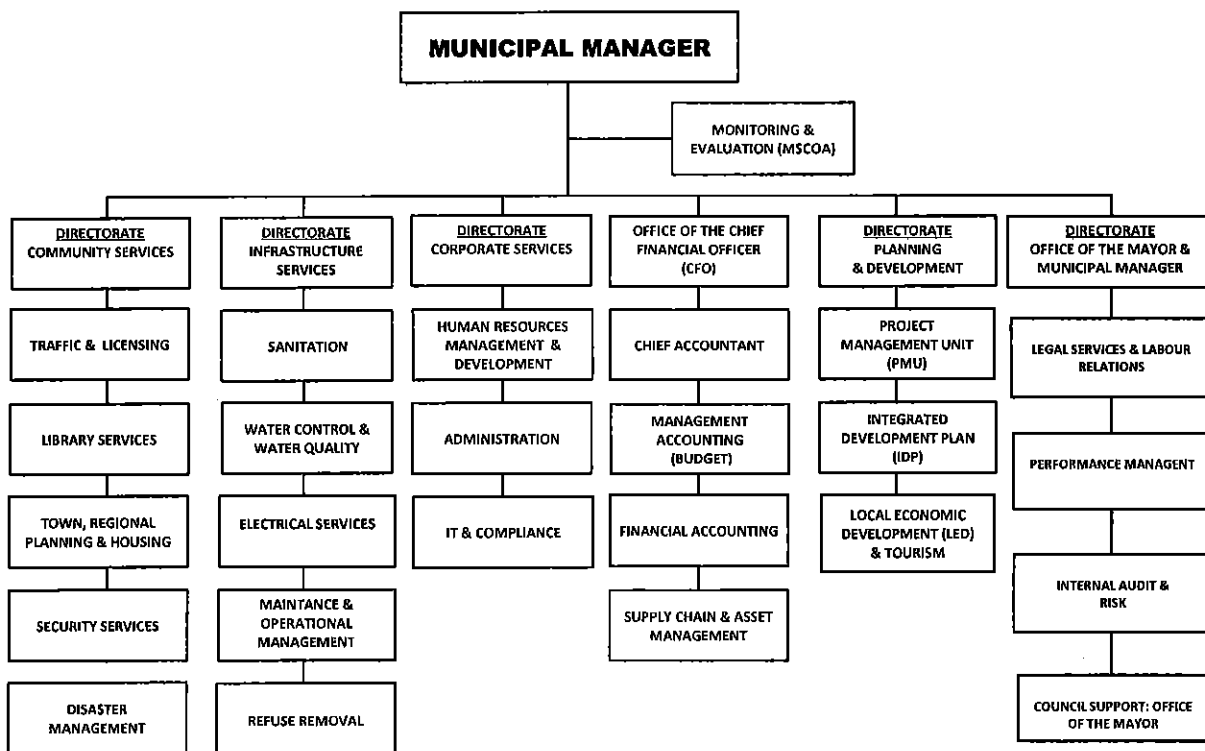
2018/2019

!KHEIS LOCAL MUNICIPALITY
MACRO ORGANISATIONAL DESIGN 18/19

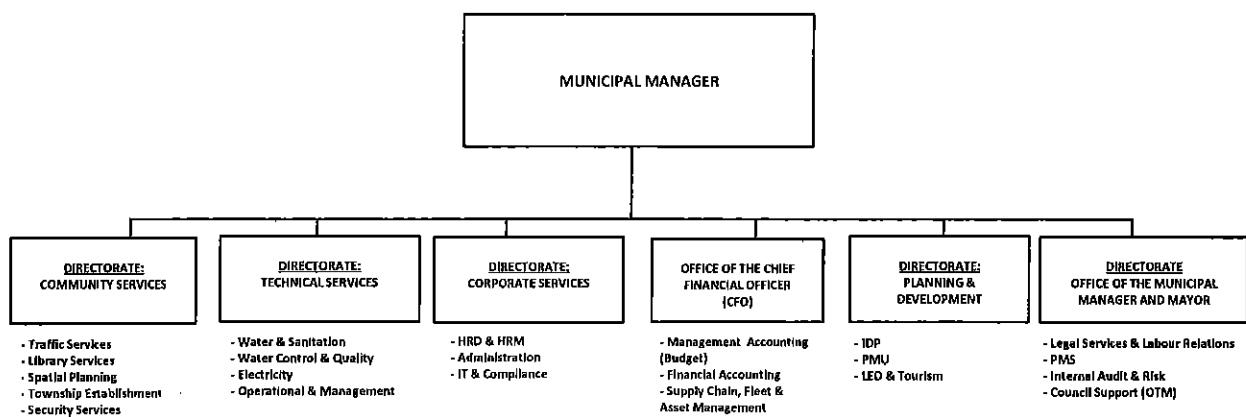


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IKHEIS MUNICIPALITY
MACRO MANAGEMENT ORGANISATIONAL DESIGN

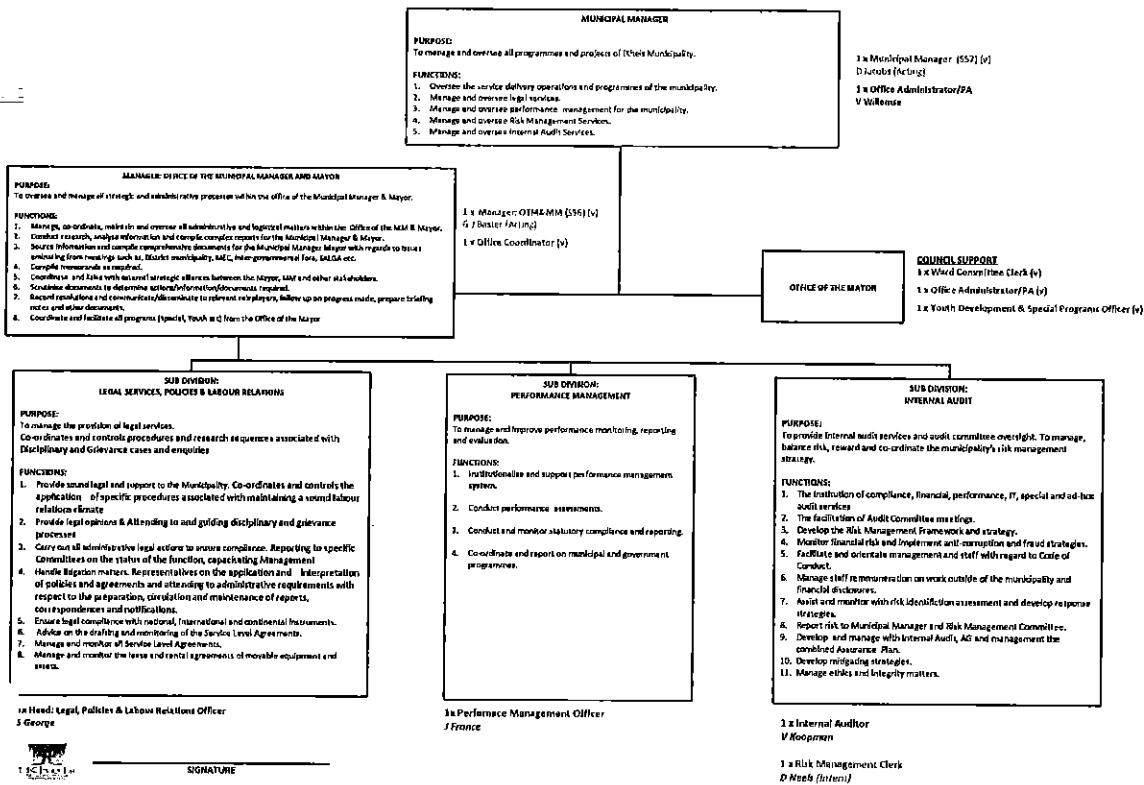


MM SENIOR MANAGEMENT (SECTION 56) REPORTING STRUCTURE



SIGNATURE

OFFICE OF THE MUNICIPAL MANAGER



DIRECTORATE: COMMUNITY SERVICES

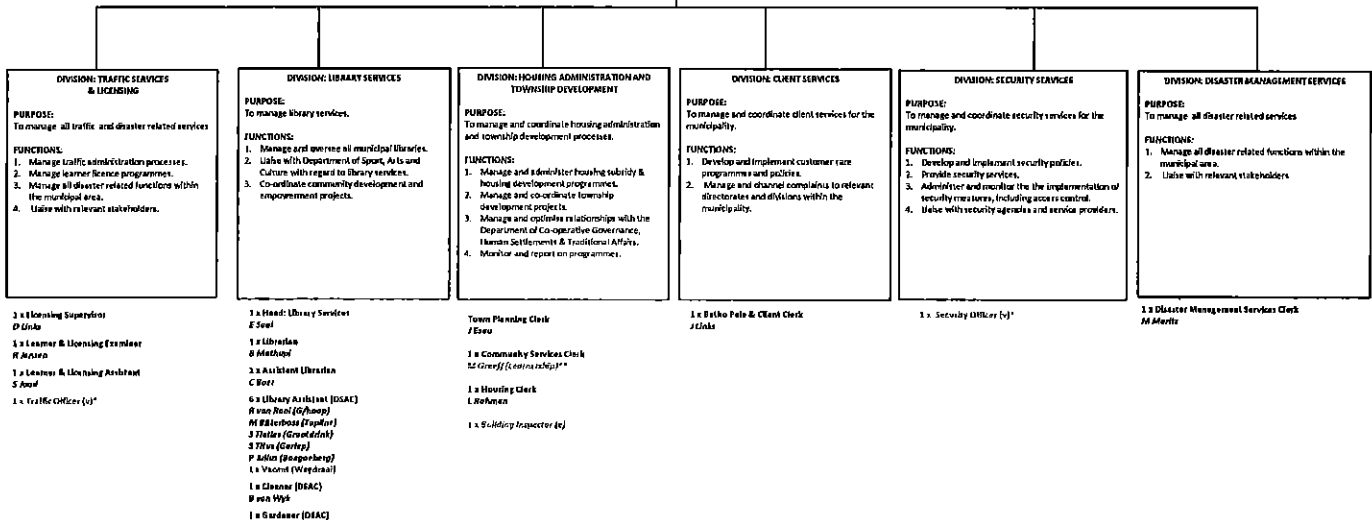
DIRECTORATE: COMMUNITY SERVICES

PURPOSE:
To manage all community services programmes and projects.

FUNCTIONS:

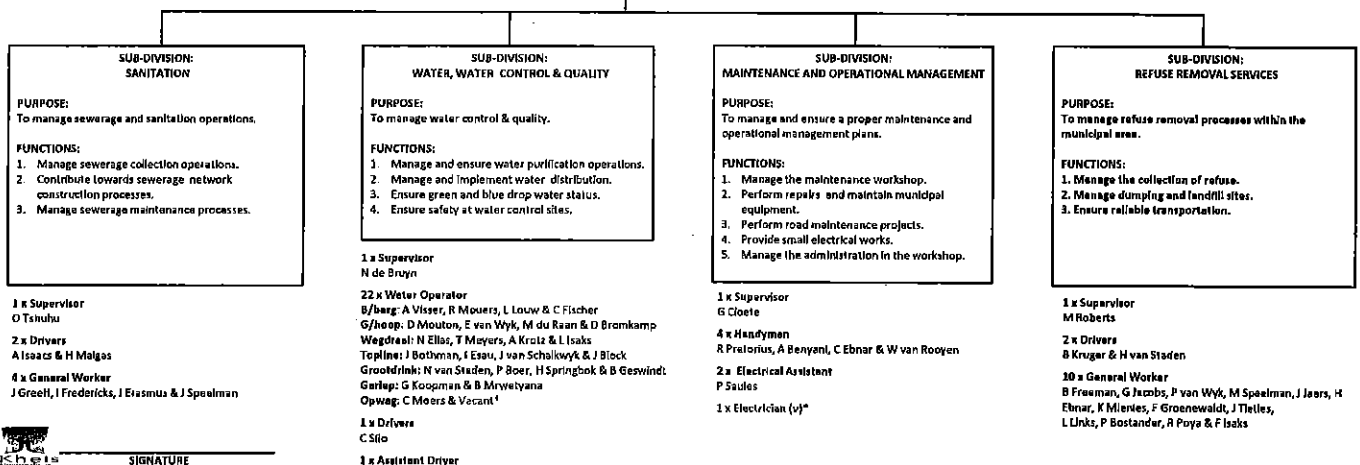
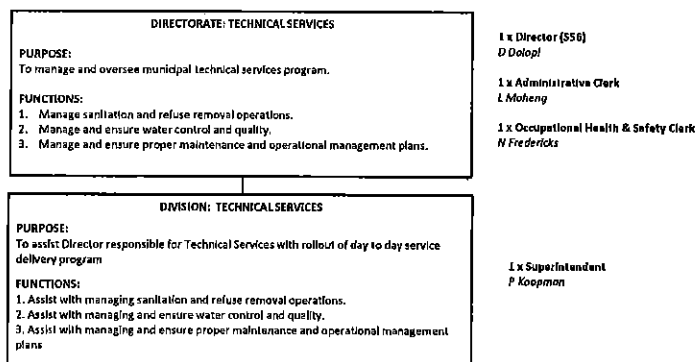
1. Manage all traffic and disaster related services.
2. Manage library services.
3. Manage and coordinate housing administration and township development processes.
4. Manage and coordinate client and Batho Pele services.
5. Manage and coordinate security services for the municipality.

1 x Director (Sec 56)
Pram Red
Office Address: 101/10/17A*



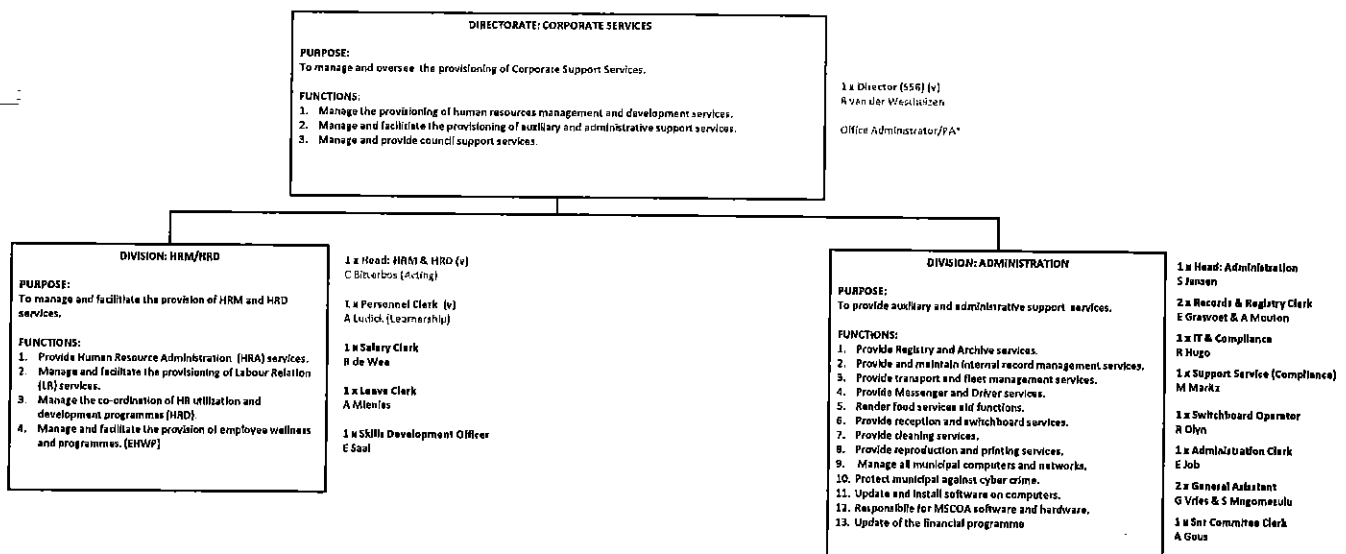
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DIRECTORATE: INFRASTRUCTURE SERVICES



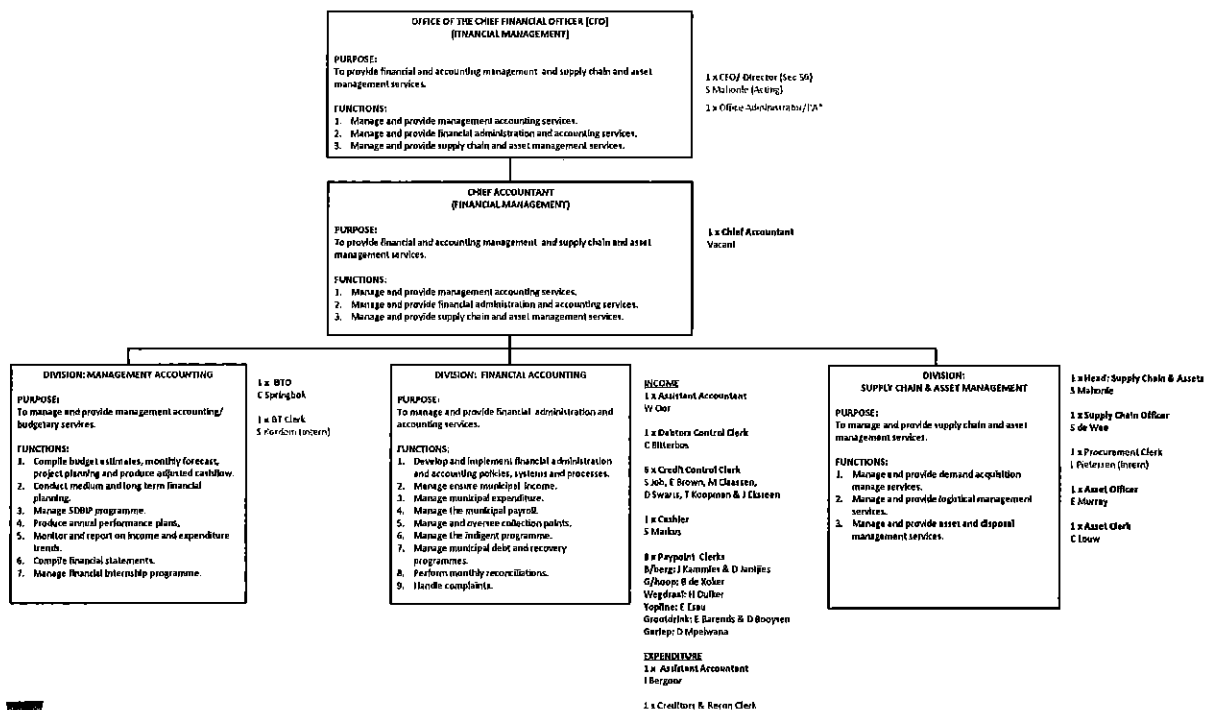
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DIRECTORATE: CORPORATE SERVICES

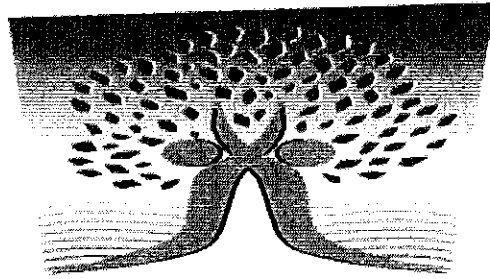


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OFFICE OF THE CHIEF FINANCIAL OFFICER (CFO)



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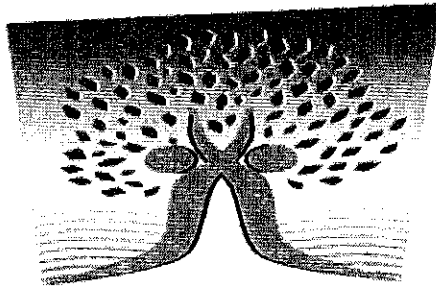
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Municipality

APPENDIX D

APPENDIX D FUNCTIONS OF THE MUNICIPALITY

MUNICIPAL FUNCTIONS /ENTITY		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes/No)*	Function Applicable to Entity (Yes/No)
Constitutional Schedule 4 Part 1 Functions		
Air pollution	No	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and Gas Reticulation	Yes	
Firefighting service	No	
Local Tourism	Yes	
Municipal Airports	Yes	
Municipal Planning	Yes	
Municipal Health Services	No	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other law	Yes	
Pontoons,ferries,jetties,piers and harbour, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up ass	Yes	
Trading regulations	Yes	
Water and sanitation services limited to portable water supply systems and domestic waste-water and sewage disposal system	Yes	
Constitutional Schedule 4 Part 2 Functions		
Beaches and amusement facilities	No	
Billboards and this display of advertisements in public places		
Cemeteries , funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertaking that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	Yes	
Licensing of dogs	No	
Licensing and control of undertaking that sell food to the public	Yes	
Local amenities	Yes	
Markets	No	
Municipal abattoirs	No	
Municipal park and recreation	Yes	

Municipal roads	Yes	
Noise pollutions	Yes	
Pounds		
Public Places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lightning	Yes	
Traffic and parking	No	



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APPENDIX E

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SUMMARY OF ALL WARD COMMITTEE MEMBERS IN THE !KHEIS MUNICIPAL AREA.

The selected members are as follows:

Topline

Ward 1

NAME & SURNAME	ID NO	Bank	Bank Number
Maria Olyn	8106151142087	FNB	62143975326^
Steve Van Schalkwyk	8603105060084	Standard	10083567311^
Albertus Block ^	8401015157086	Capitec	1466083652 ^
Trudie Olyn	7909260234088	Capitec	1537076211 ^
Ruben Lodewyk	5703156063086	Capitec	1414144464 ^
Lettie Schreuder	8808190934081	FNB	62702658040 ^

Wegdraai

Ward 1

NAME & SURNAME	ID NO	Bank	Bank Number
Gregory Bosch	7209275571088	FNB	62420312481^
David Titus	5504185148083	Capitec	1324288629 ^
Mario Van Wyk	7711135083082	FNB	62698339390^
Christina Persent	6602190516085	Standard	415188733 ^

Grootdrink

Ward 2

NAME & SURNAME	ID NO	Bank	Bank Number
Isak Olyn	7205185770086	FNB	62231197006 ^
Hans Bosman	5301235036081	Standard	10065214453 ^
Piet Jasson	6810215150083	Standard	10083524418 ^
PoLina Kok	6903180567082	Absa	9321877402 ^
Susanna Adams	7509220225083	Absa	9321849560^
Anna Roman	5007180108086	Capitec	1132631503 ^
Karina Bosman	6301180185080	Nedbank	1572009497^

Gariep
Ward 2

NAME & SURNAME	ID NO	Bank	Bank Number
Teresa de Wee	9406270231087	Capitec	1483783810 ^
Esmerelda de Bruyn	9703171197080	Absa	9322014930 ^

Sternham / Groblershoop
Ward 3

NAME & SURNAME	ID NO	Bank	Bank Number
Chrisjanda Van Wyk	8307130064083	FNB	62580039298 ^
Klaas Thys	6506205217086	FNB	62697150325 ^
Dolphina Vywers	6605270247083	FNB	62680564757 ^
Freddie Moheng	8708065882086	Capitec	1410787085 ^
Lawnineea Rooi	720409061084	Capitec	1344926566 ^
Dawid Oor	7710115106087	FNB	62698196683 ^
Martha Makatong	8808210816086	FNB	62590990315 ^
Sarah Malo	6806290078082	FNB	62210781341 ^

Opwag
Ward 3

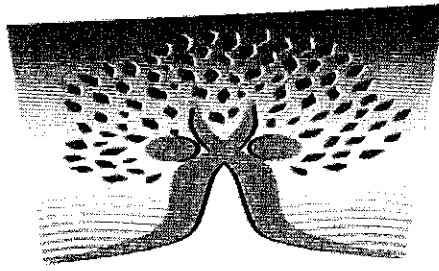
NAME & SURNAME	ID NO	Bank	Bank Number
Magdalena Ludick	7308040853087	FNB	62681885102 ^

Boegoeberg
Ward 4

NAME & SURNAME	ID NO	Bank	Bank Number
Adam Kammies ^	5407255141089	FNB	62597705246 ^
Mervin Malgas	7212075063085	Capitec	1338957471 ^
Michael Jantjies	5012255138083	FNB	62688399495 ^
Elsa Jacobs	8512210094088	Postbank	00098297007 ^

Duineveld
Ward 4

NAME & SURNAME	ID NO	Bank	Bank Number
Willem de Wee	8712095141083	Capitec	1400141417 ^
Annaline Roberts	7405280223086	Capitec	1342914072 ^
Willem Lottering	7610235153086	ABSA	9320554029 ^
Mitha Eksteen	7612160194085	Smart account	62600253174 ^



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Municipality

APPENDIX F

IKheis Municipality Projects for 2018/19 FY

Project Description	Funding (Y/N)	Amount	Duration of Project	Contract (Y/N)	Impediments
1. Upgrading of Brandboon Water Treatment Works	Y	R 4,000,000	6 months	N	DWS
2. Upgrading of Garte Water Treatment Works	N	R 6,000,000	8 months	N	Awaiting response from MIG
3. Upgrading of Topline Water Treatment Works	N	R 5,800,000	8 months	N	To submit Technical Report to DWS
4. Upgrading of Oxidation Ponds in Brandboom	N	R 9,600,000	7 months	N	To submit Technical Report to DWS
5. Construction of Sewer Reticulation, Pump Station in Grootdrink	Y	R 5,000,000	Phases	Y	10% in process
6. Construction of Sewer Reticulation, Pump Station in Sternham	Y	N/A	Phases	N	Awaiting revised Business Plan
7. Construction of Sewer Reticulation, Pump Station in Wegdraai	N	R 11,730,000	8 months	N	Awaiting response from MIG
8. Construction of Landfill Sites in IKheis Municipal Area	N	R 10,500,000	6 months	N	Technical Report Submitted to MIG
9. Construction of Water Treatment Works in Zuma Village	Y	R 10,000,000	5 months	Y	Completed
10. Upgrading of Internal Streets in Sternham	Y	R 3,300,000	6 months	Y	Completed
11. Construction of Housing Services in Topline	N	R 30,000,000	24 months	N	Awaiting response from COGHSTA
12. Construction of Recreational Parks in Groblershoop, Grootdrink	N	R 3,500,000	4 months	N	Project to be implemented with EPWP funds
13. Upgrading of Cemeteries in IKheis Municipal Area	N	R 5,000,000	5 months	N	To Re-submit Technical Report
14. Refurbishment of Groblershoop Water Treatment Works	Y	R 7,500,000	6 months	N	To implement project in 2017/18 (WSIG funds)

Sports, Arts and Culture		R13 860 000.00	
Sports Facility in Topline	Planning	R 4,000,000.00	MIG/LOTTO
Sports Facility in Wegdraai	Planning	R 4,000,000.00	MIG/LOTTO
Sports Facility in Grootdrink	Planning	R 5,000,000.00	MIG/LOTTO
Upgrading of Grootdrink Library	Planning	R 220,000.00	DSAC
Upgrading of Wegdraai Library	Planning	R 220,000.00	DSAC
Upgrading of Gariep Library	Planning	R 110,000.00	DSAC
Upgrading of Opwag Library	Planning	R 110,000.00	DSAC
Upgrading of Topline Library	Planning	R 200,000.00	DSAC
Recreational Projects		R 15,000,000.00	
Cemeteteries in IKheis Area	Submit Revised BP	R 15,000,000.00	MIG
Roads and Stormwater		R 91,000,000.00	
Upgrade Streets in Sternham	In Construction >80%	R 24,000,000.00	MIG
Upgrade Streets in Topline	Awaiting Funding	R 10,000,000.00	MIG
Upgrade Streets in Groblershoop Town	Planning	R 12,000,000.00	MIG
Upgrade Streets in Wegdraai	Planning	R 17,000,000.00	MIG
Upgrade Streets in Brandboom	Planning	R 15,000,000.00	MIG
Upgrade Streets in Grootdrink	Planning	R 24,000,000.00	MIG
Upgrade Gariep Streets	Planning	R 13,000,000.00	MIG
Total	Total	R 230,050,000.00	



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2018/2019

EPWP

Ward 3

Settlements : Sternham, Groblershoop Dorp & Opwag

Ward Councillor: Cllr Abraham

Top four Service Delivery Priorities

- Water
- Sanitation
- Roads & Storm Water
- Housing

Capital Project

Project Name : Upgrading of “Hoofstraat” Groblershoop

Locality : Groblershoop (Dorp)

Funder : EPWP

Budget Value : R 900 000.00

Duration : 02 July 2018 till 29 March 2019

Project Status : Construction

Capital Project

Project Name : Data Capturer

Locality : Groblershoop (Dorp)

Funder : EPWP

Budget Value : R 100 000.00

Duration : 02 July 2018 till 28 June 2019

Project Status : Construction



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2018/2019

Ward 2

Settlements : Gariep & Grootdrink

Ward Councillor : Cllr Samuel Esau

Top Four Service delivery Priorities

- Water
- Sanitation
- Roads & Storm Water
- Housing

Capital Project

Project Name : Sewer Reticulation System. Pump Station and Sewer Rising

Locality : Grootdrink

Funder : MIG

Budget Value : R 9 280 737.05

Duration : 01 Feb 2018 till 30 June 2019

Project Status : Construction

Ward 3

Settlements : Sternham, Groblershoop Dorp & Opwag

Ward Councillor: Cllr Abraham Tobias

Top four Service Delivery Priorities

- Water
- Sanitation
- Roads & Storm Water
- Housing

Capital Project

Project Name : Sternham & Duineveld Sewer Reticulation & Pump Station

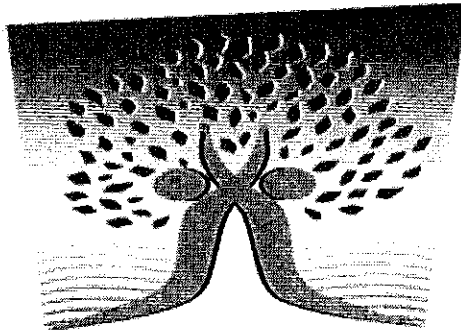
Locality : Sternham

Funder : MIG

Budget Value : R 10 946 476.72

Duration : 25 October 2018 till 31 October 2019

Project Status : Contractor Recently Appointed



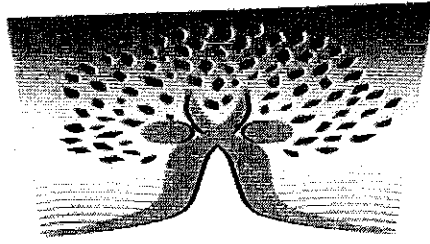
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APPENDIX G



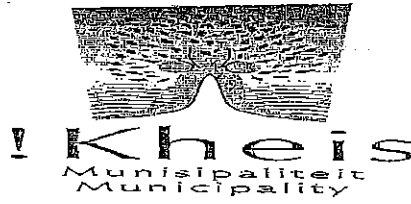
APPENDIX G – Audit Committee was not functional during 2018/19 financial year

None



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Municipality

APPENDIX H

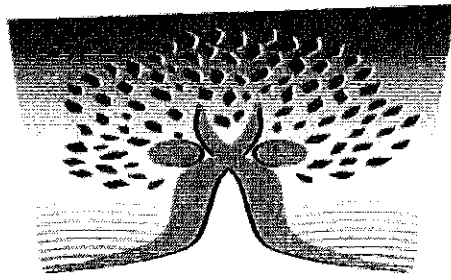


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Phone : 054 – 833 9500
Fax : 054 – 833 0690

**APPENDIX H – MUNICIPAL ENTITY / INFORMATION RELATED TO THE LARGEST PROJECTS,
AGREEMENTS AND CONTRACTS AND ANY PUBLIC PRIVATE PARTNERSHIP**

None



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Municipality

APPENDIX I

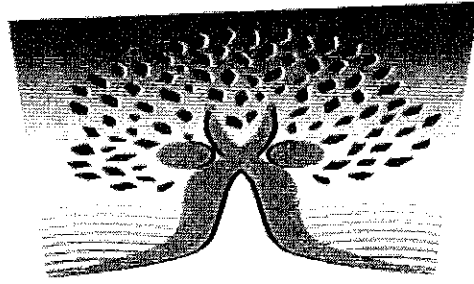
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Fax : 054 – 833 0690

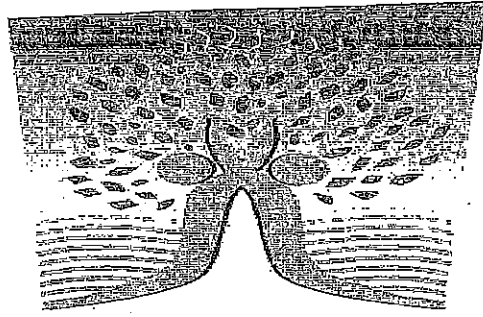
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

None



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Municipality

APPENDIX J



! Kheis

Munisipaliteit
Municipality

DISCLOSURE OF INTEREST AND
DECLARATION OF FINANCIAL
INTERESTS FOR MUNICIPAL
EMPLOYEES

FORM A

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Employee : DESMOND DOKOPI

ID Number of Employee : 8207285555085

Nature of Interest to be declared : CONSTRUCTION

(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared :

.....

.....

.....

.....

Estimated Amount Involved : Rs. 00

Signature of Declarer :

Date of Declaration : 17/07/2018

FOR OFFICE USE REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

IKHEIS MUNICIPALITY

DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Employee

N/A

ID Number of Employee

820728 5555 088

Nature of GIFT / REWARD :

Was GIFT / REWARD Accepted :

From who was the gift/reward received or offered :

Estimated Amount Involved :

Signature of Declarer :

Date of Declaration :

FOR OFFICE USE REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

IKHEIS MUNICIPALITY

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) DOLOPU, D(Postal address) HOUSE NO. 1 SKOOK STREETGROBLERSHOOP(Residential address) N/A(Position held) INFRASTRUCTURE MANAGER(Name of Municipality) IKHEIS LMTel: 054 833 9500Fax: 054 833 0690

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.) See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
33%	SHAREHOLDER	R. 0.00	PANDA PRESS SOLUTIONS

2. Directorships and partnerships See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration
PANOR PRESSA SOLUTIONS	CONSTRUCTIONS	R0.00

CONFIDENTIAL

3. Remunerated work outside the Municipality
Must be sanctioned by Council. See information sheet: note (3)

Name of Employer	Type of Work	Amount of remuneration/
N/A		

4. Consultancies and retainerships See information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received
N/A			

5. Sponsorships
See information sheet: note (5)

Source of assistance/sponsorshi	Description of assistance/ Sponsorship	Value of assistance/sponsorshi
N/A		

6. Gifts and hospitality from a source other than a family member See information sheet: note (6)

Description	Value	Source
N/A		

7. Land and property
See information sheet: note (7)

Description	Extent	Area	Value
N/A			

SIGNATURE

DATE:

17/07/2018

PLACE:

GROBLERSHOOP

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer

YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer


No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer

YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.



Commissioner
of Oath / Justice of the Peace

Full first names and surname:

LIZENE JOOD (Block letters)

Designation (rank) Cst Ex Officio Republic of South Africa

Street address of institution Mainstr. 201, Grabbershop
8850

Date 2018.11.19 Place Grabbershop

FOR OFFICE USE

REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

01-12-082

INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Form C):

NOTE 1 : Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and the name of that entity.

NOTE 2 : Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated. Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3 : Remunerated work outside the public service (All remunerated employment must be sanctioned prior to the work being done.)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and the amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind. Work means rendering a service for which the person receives remuneration.

NOTE 4 : Consultancies and retainerships

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

NOTE 5 : Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and the value of the sponsorship or assistance.

NOTE 6 : Gifts and hospitality from a source other than a family member

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7 : Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property; The area in which it is situated; and the value of the interest.

IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBERS

Name of Employee:

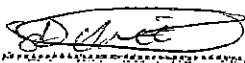
ID Number of Employee:

Position:

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST

NB: ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS TRANSACTIONS.

DATE SUBMITTED TO SUPPLY CHAIN UNIT: 22/11/2018

SIGNATURE: SUPPLY CHAIN UNIT OFFICIAL: 



DISCLOSURE OF INTEREST AND
DECLARATION OF FINANCIAL
INTERESTS FOR MUNICIPAL
EMPLOYEES

FORM A

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Employee

DARY JACOB

ID Number of Employee

7711035148085

Nature of Interest to be declared :

(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared :

Estimated Amount Involved :

Signature of Declarer :

Date of Declaration :

FOR OFFICE USE

REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

IKHEIS MUNICIPALITY

DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Employee

ID Number of Employee

Nature of GIFT / REWARD :

Was GIFT / REWARD Accepted :

From who was the gift/reward received or offered :

Estimated Amount Involved :

Signature of Declarer :

Date of Declaration :

FOR OFFICE USE REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

!KHEIS MUNICIPALITY

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials)

D. Jacobs

(Postal address)

26 ORANGE STREETGROBLERSHOOP, 8850

(Residential address)

26 ORANGE STREET
GROBLERSHOOP

(Position held)

MUNICIPAL PLANNING & DEVELOPMENT

(Name of Municipality)

!KHEIS MUNICIPALITY

Tel:

056-8329500

Fax:

056-8330269

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.) See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity

2. Directorships and partnerships See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration

CONFIDENTIAL

3. **Remunerated work outside the Municipality**
Must be sanctioned by Council. See information sheet: note (3)

Name of Employer	Type of Work	Amount of remuneration/

4. **Consultancies and retainerships** See information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received

5. **Sponsorships**
See information sheet: note (5)

Source of assistance/sponsorshi	Description of assistance/ Sponsorship	Value of assistance/sponsorshi

6. **Gifts and hospitality from a source other than a family member** See information sheet: note (6)

Description	Value	Source

7. Land and property
See information sheet: note (7)

Description	Extent	Area	Value

SIGNATURE

DATE:

PLACE:

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer


(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

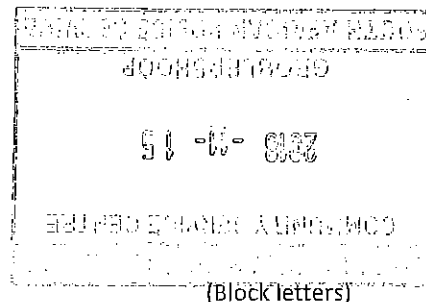
Answer

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

 MEERS
1057 Commissioner
of Oath / Justice of the Peace

Full first names and surname:

MAGDELENE SLINGER



Designation (rank) CONSTABLE Ex Officio Republic of South Africa

Street address of institution 210 MAIN ROAD
GROBLERSHOOP

Date 2018-11-15 Place GROBLERSHOOP

FOR OFFICE USE

REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Form C):

NOTE 1 : Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

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- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and the name of that entity.

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- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated. Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3 : Remunerated work outside the public service (All remunerated employment must be sanctioned prior to the work being done.)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and the amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind. Work means rendering a service for which the person receives remuneration.

NOTE 4 : Consultancies and retainerships

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

NOTE 5 : Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and the value of the sponsorship or assistance.

NOTE 6 : Gifts and hospitality from a source other than a family member

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7 : Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property; The area in which it is situated; and the value of the interest.

IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBER

Name of Employee:

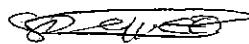
ID Number of Employee:

Position:

Name of Spouse	ID Number	Bussiness Interest

NB: Additional Disclosure of family members involved in business with the state should be disclosed on form as soon as employee/councilor becomes aware of such Business/Transactions.

Date Submitted To Supply Chain Unit : 22/11/2018

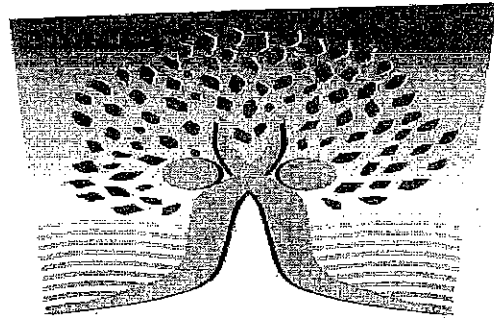
Signature : Supply Chain Unit Official : 

For Office Use

CAPTURED IN PERSONNEL FILE BY:

Name Anisq Ludick ID NUMBER : 930915 0238 083

Date : 23.11.2018 Signature : [Signature]



! Kheis

Munisipaliteit
Municipality

**DISCLOSURE OF INTEREST AND
DECLARATION OF FINANCIAL
INTERESTS FOR MUNICIPAL
EMPLOYEES**

1
[Signature]

FORM A

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Employee

LOHRENDUS STEPHANUS VAN ECK

ID Number of Employee

600912513 081

Nature of Interest to be declared :

NUN.

(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared :

NUN.

Estimated Amount Involved :

Signature of Declarer :

[Signature]

Date of Declaration :

17.07.2018.

FOR OFFICE USE

REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME :

ID NUMBER :

DATE :

SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

IKHEIS MUNICIPALITY

DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Employee

L. B. D. M. S. STEPHANUS VAN ECK

ID Number of Employee

600 810 5113 081

Nature of GIFT / REWARD :

N/A

Was GIFT / REWARD Accepted :

From who was the gift/reward received or offered :

Estimated Amount Involved :

Signature of Declarer :

Date of Declaration :

17.07.2018

FOR OFFICE USE

REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME :

ID NUMBER :

DATE :

SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

IKHEIS MUNICIPALITY

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) J. S. KHEIS(Postal address) PO Box 323(Residential address) GRABBERS HILL 8850.
PLOT 2229, OPWAY, 8851.(Position held) MANAGER COMMUNITY SERVICE

(Name of Municipality)

IKHEIS LM.Tel: 054 833 9500Fax: 054 833 0690.

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.) See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity

2. Directorships and partnerships See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration
	<i>div.</i>	

Larsch

7. Land and property
See information sheet: note (7)

Description	Extent	Area	Value

SIGNATURE _____

DATE: 2018 01/18

PLACE: Großes Shod SAPD

CONFIDENTIAL

3. **Remunerated work outside the Municipality**
Must be sanctioned by Council. See information sheet: note (3)

Name of Employer	Type of Work	Amount of remuneration/
	<i>none</i>	

4. **Consultancies and retainerships** See information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received
	<i>none</i>		

5. **Sponsorships**
See information sheet: note (5)

Source of assistance/sponsorshi	Description of assistance/ Sponsorship	Value of assistance/sponsorshi
	<i>none</i>	

6. **Gifts and hospitality from a source other than a family member** See information sheet: note (6)

Description	Value	Source
	<i>none</i>	

7. Land and property
See information sheet: note (7)

Description	Extent	Area	Value
PLOT 0029	OWNER	OPNRY	R. m.

SIGNATURE

DATE:

PLACE:

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES.

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer no

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES.

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

[Handwritten signature]

GA 7105885-1
G. J. G. WATERES

Commissioner

of Oath /Justice of the Peace

Full first names and surname:

TOSHA GODSON MATHESE (Block letters)

Designation (rank) CONSTABLE Ex Officio Republic of South Africa

Street address of institution 210 MAIN STREET
GROBLERSHOOP

Date 2018-07-17 Place GROBLERSHOOP
2018-07-17
INVESTIGATING OFFICER
GROBLERSHOOP
SOUTH AFRICAN POLICE SERVICE

FOR OFFICE USE

REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :



INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Form C):

NOTE 1 : Shares and other financial interests

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- The type of work;
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- The name and type of business activity, of the client concerned; and
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- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

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Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property; The area in which it is situated; and the value of the interest.

IKHEIS MUNICIPALITY**DISCLOSURE OF DETAILS OF FAMILY MEMBERS**

Name of ^{Employee} Councillor L. S. VAN ECK

ID Number of Councillor 2008125113081

Position : Manager Community Service

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST
	<u>None</u>	

NB : ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS/TRANSACTIONS.

Handwritten signature

DATE SUBMITTED TO SUPPLY CHAIN UNIT : 22/11/2018

SIGNATURE : SUPPLY CHAIN UNIT OFFICIAL : [Signature]

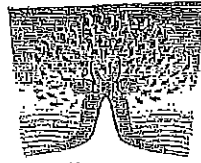
FOR OFFICE USE

CAPTURED IN PERSONNEL FILE BY :

NAME : Anisia Ludick ID NUMBER : 430015 0258 083

DATE : 23.11.2018 SIGNATURE : [Signature]

Private Bag X2
GROBLERSHOOP



Kheis
Munisipaliteit
Municipality

Phone: 054 -- 8339500
Fax: 054 -- 8330690

COUNCILLORS

DISCLOSURE

OF

FINANCIAL INTEREST(S)

IKHEIS MUNICIPALITY

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Councillor

Mr. Samuel Esau

ID Number of Councillor

4603295128080

Nature of Interest to be declared:

NONE (WARD CIP)

(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared:

NONE

WIFE RECEIVE R736.00 MONTHLY STIPEND
CWP (COTA)

Estimated Amount Involved:

NONE

Signature of Declarer:

Date of Declaration:

SEPTEMBER 2018

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICER'S SIGNATURE:

IKHEIS MUNICIPALITY

DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Councillor

Mr. Samuel Esau

ID Number of Councillor

4603295128080

Nature of GIFT / REWARD:

NONE

Was GIFT / REWARD Accepted:

NONE

From who was the gift/reward received or offered:

NONE

Estimated Amount Involved:

NONE

Signature of Declarer:



Date of Declaration:

SEPTEMBER 2018

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICERS SIGNATURE:

IKHEIS MUNICIPALITY

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) ESAU, S.

(Postal address) 108 Church Street

Libot Drink 8822

(Residential address) 108 Church Street

Libot Drink 8822

(Position held) Municipal Ward Councillor

(Name of Municipality)

IKHEIS Local Municipality

Tel: (054) 883 9500 / 0620

Fax: (054) 833 0690

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.) See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
NONE	/	/	/

2. Directorships and partnerships See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration
NONE	/	/

3. Remunerated work outside the Municipality
Must be sanctioned by Council. See Information sheet: note (3)

Name of Councillor	Type of Work	Amount of remuneration/
SAMUEL ESAU	NONE	—

4. Consultancies and retainer ships See Information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received
NONE	—	—	—

5. Sponsorships
See information sheet: note (5)

Source of assistance/sponsorship	Description of assistance/Sponsorship	Value of assistance/sponsorship
NONE	—	—

6. Gifts and hospitality from a source other than a family member See information sheet: note (6)

Description	Value	Source
NONE	—	—

7. Land and property
See information sheet: note (7)

Description	Extent	Area	Value
NONE	/	/	/

SIGNATURE



DATE:

SEPTEMBER 2018

PLACE:

GRODOLINK / GLEBLERHOOP

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

B. Thabane
B. THABANE Commissioner
of Oath / Justice of the Peace

Full first names and surname:

Benjamin Odile Thabane (Block letters)

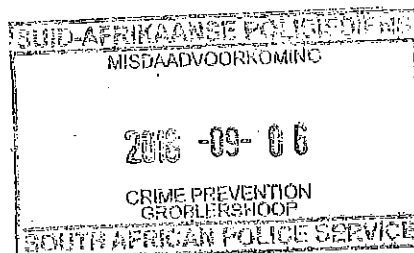
Designation (rank) Constable Ex Officio Republic of South Africa

Street address of institution 210 Main Street

Groblershoop

Date 2018-09-06

Place Groblershoop



IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBERS

Name of Councillor

MNR SAMUEL ESALI

ID Number of Councillor

4608295128080

Position:

Municipal Ward Cnr

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST
MRS MARGARET H. BOER	7808300175089	Community Workers Programme
MR. HILTON B. BOER	0007095140088	SCHOLAR
MISS. PATRICIA S. ESALI	07/06/04	SCHOLAR
MISS. LEONE N. ESALI	09/10/07	SCHOLAR
MISS. ESTER M. ESALI	17/04/13	INFANT

NB: ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS/TRANSACTIONS.

DATE SUBMITTED TO SUPPLY CHAIN UNIT: 22/11/2018

SIGNATURE: SUPPLY CHAIN UNIT OFFICIAL: 


FOR OFFICE USE

CAPTURED IN PERSONNEL FILE BY:

NAME: Anisai Luchido

ID NUMBER: 4309150238083

DATE: 23.11.2018

SIGNATURE: 

FOR OFFICE USE

CAPTURED IN PERSONNEL FILE BY:

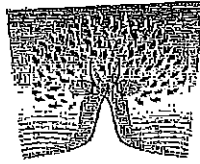
NAME: Anisid Ludd ID NUMBER: 0300180238 083

DATE: 23.11.2018

SIGNATURE:

RP Ludd

Private Bag X2
GROBLERSHOOP



Kheis
Munisipaliteit
Municipality

Phone: 054 – 8339500
Fax: 054 – 8330690

COUNCILLORS

DISCLOSURE

OF

FINANCIAL INTEREST(S)

KHEIS MUNICIPALITY

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Councillor Koos ESAU

ID Number of Councillor 5011 2551 29 084

Nature of Interest to be declared: PERSONAL BEHONGINGS
(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared: A HOUSE
A CAR/MOTOR VEHICLE
INCOME

Estimated Amount Involved: House R800000.00, CAR R20000 INCOME R280,245.96 ^{PA}

Signature of Declarer: [Signature]

Date of Declaration: 24 August 2018

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICER'S SIGNATURE:

IKHEIS MUNICIPALITY

DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Councillor KOS EYAUID Number of Councillor 5011255129 084Nature of GIFT / REWARD: NONEWas GIFT / REWARD Accepted: NONEFrom who was the gift/reward received or offered: NONEEstimated Amount Involved: /Signature of Declarer: [Signature]Date of Declaration: 24 August 2018

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICERS SIGNATURE:

IKHEIS MUNICIPALITY

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) KOOB ESAK
 (Postal address) P.O. Box 142 GLOBESHOOP 8850
PROTEA STREET 229 TOPLINE 8850
 (Residential address) PROTEA STREET 229 TOPLINE

8850
 (Position held) PROPORTIONAL REPRESENTATIVE COUNCILOR

(Name of Municipality)

IKHEIS LOCAL MUNICIPAL COUNCIL
 Tel: 054 8339500 Fax: 054 8330620

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.) See Information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE

2. Directorships and partnerships See Information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration
NONE	NONE	NONE
NONE	NONE	NONE
NONE	NONE	NONE

3. Remunerated work outside the Municipality
Must be sanctioned by Council. See information sheet: note (3)

Name of Councillor	Type of Work	Amount of remuneration/
Koos ESAU	NONE	NONE

4. Consultancies and retainer ships See Information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received
Koos ESAU	NONE	NONE	NONE

5. Sponsorships
See information sheet: note (5)

Source of assistance/sponsorship	Description of assistance/ Sponsorship	Value of assistance/sponsorship
NONE	NONE	NONE

6. Gifts and hospitality from a source other than a family member See information sheet: note (6)

Description	Value	Source
NONE	NONE	NONE

7. Land and property
See Information sheet: note (7)

Description	Extent	Area	Value
NONE	NONE	NONE	NONE

SIGNATURE _____

DATE: _____

PLACE: _____

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

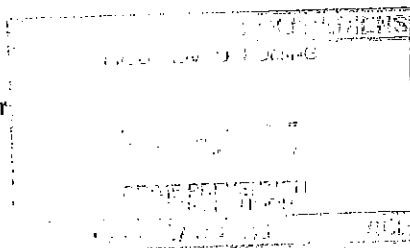
Answer NO YES I rather confirm

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

[Signature] Commissioner
of Oath / Justice of the Peace



Full first names and surname:

Elwood Glenwill Selloko (Block letters)

Designation (rank) Kommandant Ex Officio Republic of South Africa

Street address of Institution Geddesburg 210 Hoff Street

Date 2015-08-27

Place Geddesburg

INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Form C):

NOTE 1: Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and the name of that entity.

NOTE 2: Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated. Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3: Remunerated work outside the public service (All remunerated employment must be sanctioned prior to the work being done.)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and the amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind. Work means rendering a service for which the person receives remuneration.

NOTE 4: Consultancies and retainer ships

Designated employees are required to disclose the following details with regard to consultancies and retainer ships:

- The nature of the consultancy or retainer ships of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainer ships.

NOTE 5: Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and the value of the sponsorship or assistance.

NOTE 6: Gifts and hospitality from a source other than a family member

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12-month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7: Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property; The area in which it is situated; and the value of the interest.

IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBERS

Name of Councillor

Koos E9AC

ID Number of Councillor

9011258129 084

Position:

PR. Councillor

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST
<u>LENA E9AC</u>	<u>5301220078080</u>	<u>NONE</u>

NB: ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS/TRANSACTIONS.

DATE SUBMITTED TO SUPPLY CHAIN UNIT:

24 August 2018

SIGNATURE: SUPPLY CHAIN UNIT OFFICIAL:

FOR OFFICE USE

CAPTURED IN PERSONNEL FILE BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBERS

Name of Councillor

Koos ESALI

ID Number of Councillor

5011 255129084

Position:

RR Councillor

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST
<u>LENA ESALI</u>	<u>5011 255129084</u>	<u>/</u>

NB: ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS/TRANSACTIONS.

DATE SUBMITTED TO SUPPLY CHAIN UNIT:

24 August 2018

SIGNATURE: SUPPLY CHAIN UNIT OFFICIAL:

[Signature]

FOR OFFICE USE

CAPTURED IN PERSONNEL FILE BY:

NAME: Aus' d. LwicheID NUMBER: 9309180235083DATE: 27.08.2018SIGNATURE: [Signature]

Private Bag X2
GROBLERSHOOP



Phone: 054 – 8339500
Fax: 054 – 8330690

COUNCILLORS

DISCLOSURE

OF

FINANCIAL INTEREST(S)

IKHEIS MUNICIPALITY

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Councillor

Andries Leon Diergaardt

ID Number of Councillor

661029 5211 086

Nature of Interest to be declared:
(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared:

N/A

Estimated Amount Involved:

Signature of Declarer:

Date of Declaration: 02:08:2018

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICER'S SIGNATURE:

IKHEIS MUNICIPALITY

DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Councillor

Andries Leon Diergaardt

ID Number of Councillor

661229 5811 086

Nature of GIFT / REWARD:

Was GIFT / REWARD Accepted:

From who was the gift/reward received or offered:

Estimated Amount Involved:

Signature of Declarer:

Date of Declaration: 02:08:2018

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICERS SIGNATURE:

!KHEIS MUNICIPALITY**FINANCIAL DISCLOSURE FORM**I, the undersigned (surname and initials) Andries Leon Diergaardt(Postal address) Angelierstr. 24Topline Groblershoop 8850(Residential address) Angelierstr. 24Topline Groblershoop 8850(Position held) Mayor

(Name of Municipality)

!KheisTel: 054 833 9500Fax: 054 833 0690

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.) See Information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity

2. Directorships and partnerships See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration

3. Remunerated work outside the Municipality
Must be sanctioned by Council. See information sheet: note (3)

Name of Councillor	Type of Work	Amount of remuneration/

4. Consultancies and retainer ships See Information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received

5. Sponsorships
See Information sheet: note (5)

Source of assistance/sponsorship	Description of assistance/ Sponsorship	Value of assistance/sponsorship

6. Gifts and hospitality from a source other than a family member See information sheet: note (6)

Description	Value	Source

7. Land and property
See information sheet: note (7)

Description	Extent	Area	Value

SIGNATURE _____

DATE: 02:08:2018

PLACE: Croblershoop

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

R. S. D. P. 17
RS1002647.7 Commissioner
of Oath / Justice of the Peace

Full first names and surname:

SOPHIA DU PLESSIS (Block letters)

Designation (rank) Constable Ex Officio Republic of South Africa

Street address of institution mainstreet 210

Cioblesheep

Date 2018-08-03

Place Cioblesheep

INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Form C):

NOTE 1: Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and the name of that entity.

NOTE 2: Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated. Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3: Remunerated work outside the public service (All remunerated employment must be sanctioned prior to the work being done.)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and the amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind. Work means rendering a service for which the person receives remuneration.

NOTE 4: Consultancies and retainer ships

Designated employees are required to disclose the following details with regard to consultancies and retainer ships:

- The nature of the consultancy or retainer ships of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainer ships.

NOTE 5: Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and the value of the sponsorship or assistance.

NOTE 6: Gifts and hospitality from a source other than a family member

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12-month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7: Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property; The area in which it is situated; and the value of the interest.

IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBERS

Name of Councillor

Andries Leon Diergaardt

ID Number of Councillor

661229 5211 086

Position:

Mayor

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST

NB: ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS/TRANSACTIONS.

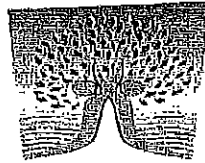
DATE SUBMITTED TO SUPPLY CHAIN UNIT: 22/11/2018SIGNATURE: SUPPLY CHAIN UNIT OFFICIAL: [Signature]

FOR OFFICE USE

CAPTURED IN PERSONNEL FILE BY:

NAME: Anisia LudickID NUMBER: 930918 0238 083DATE: 25.11.2018SIGNATURE: [Signature]

Private Bag X2
GROBLERSHOOP



Kheis
Munisipaliteit
Municipality

Phone: 054 – 8339500
Fax: 054 – 8330690

COUNCILLORS

DISCLOSURE

OF

FINANCIAL INTEREST(S)

IKHEIS MUNICIPALITY

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Councillor

Josef Silo

ID Number of Councillor

6006245686018

Nature of Interest to be declared:
(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared:

NA

Estimated Amount Involved:

Signature of Declarer: 

Date of Declaration: 2018.07.18

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICER'S SIGNATURE:

IKHEIS MUNICIPALITY DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Councillor

ID Number of Councillor

Nature of GIFT / REWARD:

Was GIFT / REWARD Accepted:

From who was the gift/reward received or offered:

Estimated Amount Involved:

Signature of Declarer:

Date of Declaration:

FOR OFFICE USE REGISTER REF NR:

CAPTURED IN REGISTER BY:

NAME:

ID NUMBER:

DATE:

SIGNATURE:

DATE REPORTED TO ACCOUNTING OFFICER:

ACCOUNTING OFFICERS SIGNATURE:

IKHEIS MUNICIPALITY

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and Initials) _____

(Postal address) _____

(Residential address) _____

(Position held) _____

(Name of Municipality)

Tel: _____

Fax: _____

hereby certify that the following information is complete and correct to the best of my knowledge:

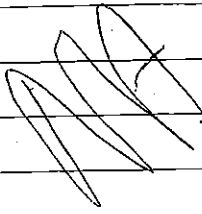
1. Shares and other financial interests (Not bank accounts with financial institutions.) See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
N/A			

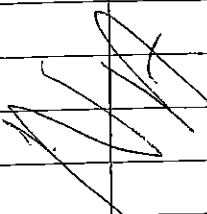
2. Directorships and partnerships See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration

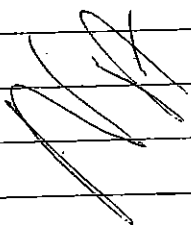
3. Remunerated work outside the Municipality
Must be sanctioned by Council. See Information sheet: note (3)

Name of Councillor	Type of Work	Amount of remuneration/
		

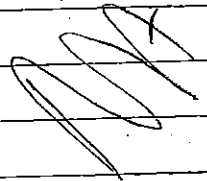
4. Consultancies and retainer ships See information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received
			

5. Sponsorships
See Information sheet: note (5)

Source of assistance/sponsorship	Description of assistance/ Sponsorship	Value of assistance/sponsorship
		

6. Gifts and hospitality from a source other than a family member See information sheet: note (6)

Description	Value	Source
		

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

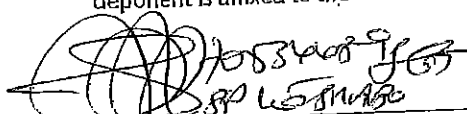
(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.



Commissioner
of Oath / Justice of the Peace

Full first names and surname:

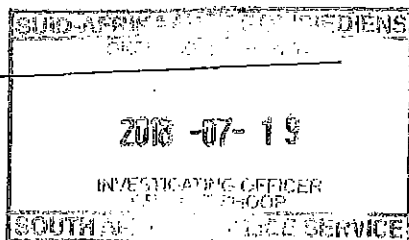
Stupins Bulmon Letshabe (Block letters)

Designation (rank) Sgt. GENT Ex Officio Republic of South Africa

Street address of Institution 210 Main Road

Carobur Manor L.A.P.S

Date



Place

Carobur Manor

INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Form C):

NOTE 1: Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and the name of that entity.

NOTE 2: Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated. Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3: Remunerated work outside the public service (All remunerated employment must be sanctioned prior to the work being done.)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and the amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind. Work means rendering a service for which the person receives remuneration.

NOTE 4: Consultancies and retainer ships

Designated employees are required to disclose the following details with regard to consultancies and retainer ships:

- The nature of the consultancy or retainer ships of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainer ships.

NOTE 5: Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and the value of the sponsorship or assistance.

NOTE 6: Gifts and hospitality from a source other than a family member

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12-month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7: Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property; The area in which it is situated; and the value of the interest.

IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBERS

Name of Councillor

Josef S110

ID Number of Councillor

6806245686 088

Position:

Councillor

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST

NB: ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS/TRANSACTIONS.

DATE SUBMITTED TO SUPPLY CHAIN UNIT: 22/11/2018

SIGNATURE: SUPPLY CHAIN UNIT OFFICIAL: 

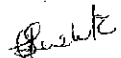
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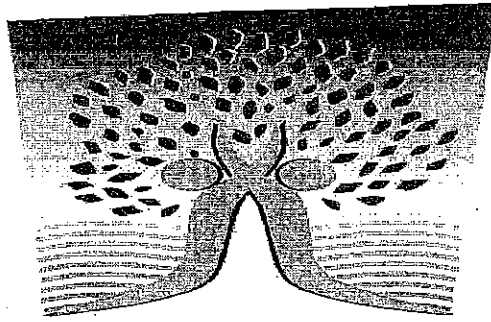
CAPTURED IN PERSONNEL FILE BY:

NAME: Anisia Ludick

ID NUMBER: 430915 0238 088

DATE: 23.11.2018

SIGNATURE: 



! Kheis

Munisipaliteit
Municipality

**DISCLOSURE OF INTEREST AND
DECLARATION OF FINANCIAL
INTERESTS FOR MUNICIPAL
EMPLOYEES**

FORM A

DECLARATION / DISCLOSURE OF ANY INTEREST

Name of Employee ABRAHAM TOBIAS

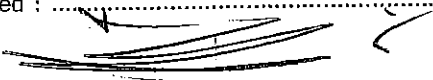
ID Number of Employee 7102155484 089

Nature of Interest to be declared : NONE

(Name of Company / Name of Person / Tender in which interest is declared)

Brief Description of the Interest Declared : N/A

Estimated Amount Involved : NONE

Signature of Declarer : 

Date of Declaration : 10.08.2018

FOR OFFICE USE REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :


DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

!KHEIS MUNICIPALITY

DISCLOSURE OF GIFTS/REWARDS RECEIVED/OFFERED

Name of Employee : ABRAHAM TOBIASID Number of Employee : 710215 5484 089Nature of GIFT / REWARD : NONEWas GIFT / REWARD Accepted : N/AFrom who was the gift/reward received or offered : N/AEstimated Amount Involved : NONESignature of Declarer : Date of Declaration : 10.08.2018

FOR OFFICE USE REGISTER REF NR :

CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :

IKHEIS MUNICIPALITY

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials)

TOBIAS. A.

(Postal address)

2309 SONNEBLUM STR.GRABERSBURG 8850

(Residential address)

2309 SONNEBLUM STR. GRABERSBURG 8850

(Position held)

Councillor.

(Name of Municipality)

IKHEIS LOCAL MUNICIPALITY.

Tel:

054-8339500

Fax:



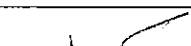
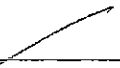
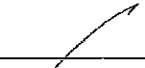


054-8330690

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.) See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
INVESTMENT.	PENSION FUND	R270 000.00	OLD MUTUAL.

2. Directorships and partnerships See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration
		
N/A	N/A	
		N/A
		

CONFIDENTIAL

3. **Remunerated work outside the Municipality**
Must be sanctioned by Council. See information sheet: note (3)

Name of Employer	Type of Work	Amount of remuneration/
	N/A	

4. **Consultancies and retainerships** See information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received
	N/A		

5. **Sponsorships**
See information sheet: note (5)

Source of assistance/sponsorshi	Description of assistance/ Sponsorship	Value of assistance/sponsorshi
	N/A	

6. **Gifts and hospitality from a source other than a family member** See information sheet: note (6)

Description	Value	Source
	N/A	

7. Land and property
See information sheet: note (7)

Description	Extent	Area	Value
RESIDENTIAL HOUSE	ERF: 1254	EXT. 2 GRABERSHOP	R250 000.00

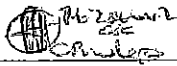
SIGNATURE

DATE:

PLACE:

OATH/AFFIRMATION

- I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:
 - Do you know and understand the contents of the declaration?
Answer YES
 - Do you have any objection to taking the prescribed oath or affirmation?
Answer NO
 - Do you consider the prescribed oath or affirmation to be binding on your conscience?
Answer YES
- I certify that the deponent has acknowledged that ~~she~~/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/~~mark~~ of the deponent is affixed to the declaration in my presence.



Commissioner

of Oath /Justice of the Peace

Full first names and surname:

CHRISTINA RINCEK MOKOPO

(Block letters)

Designation (rank) Constable

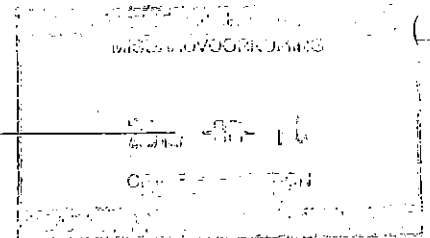
Ex Officio Republic of South Africa

Street address of institution 210 Main Street

Groblerstown S.A.P.S

Date 2018-03-10

Place Groblerstown



FOR OFFICE USE

REGISTER REF NR :

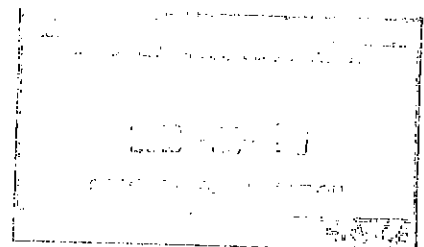
CAPTURED IN REGISTER BY :

NAME : ID NUMBER :

DATE : SIGNATURE :

DATE REPORTED TO ACCOUNTING OFFICER :

ACCOUNTING OFFICERS SIGNATURE :



INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Form C):

NOTE 1 : Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and the name of that entity.

NOTE 2 : Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated. Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3 : Remunerated work outside the public service (All remunerated employment must be sanctioned prior to the work being done.)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and the amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind. Work means rendering a service for which the person receives remuneration.

NOTE 4 : Consultancies and retainerships

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

NOTE 5 : Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and the value of the sponsorship or assistance.

NOTE 6 : Gifts and hospitality from a source other than a family member

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7 : Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property; The area in which it is situated; and the value of the interest..

IKHEIS MUNICIPALITY

DISCLOSURE OF DETAILS OF FAMILY MEMBERS

Name of Councillor

ABRAHAM TOBIAS

ID Number of Councillor

710215 5484 089

Position :

WARD COUNCILLOR

NAME OF SPOUSE / CHILD	ID NUMBER	BUSINESS INTEREST
ANNALINE TOBIAS.	730504 0196 087	N/A.
ALBERT SMITH.	900829 5145 084	N/A.
AMY S. TOBIAS.	1994 08 03.	N/A.
AIDEN TOBIAS.	980509 5059 08 8	N/A.
ANNLEE TOBIAS	000406 0064 088	N/A.

NB : ADDITIONAL DISCLOSURE OF FAMILY MEMBERS INVOLVED IN BUSINESS WITH THE STATE SHOULD BE DISCLOSED ON FORM A AS SOON AS EMPLOYEE/COUNCILLOR BECOMES AWARE OF SUCH BUSINESS/TRANSACTIONS.

DATE SUBMITTED TO SUPPLY CHAIN UNIT : 22/11/2018

SIGNATURE : SUPPLY CHAIN UNIT OFFICIAL :

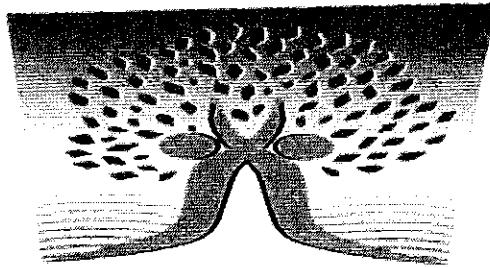


FOR OFFICE USE

CAPTURED IN PERSONNEL FILE BY :

NAME : Anisat Ludek ID NUMBER : 950415 0258 085

DATE : 23.11.2018 SIGNATURE : *[Signature]*



! Kheis
Munisipaliteit
Municipality

APPENDIX K

NC084 IKheis - Table C1 Monthly Budget Statement Summary - M12 June

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	4,368	4,368	3,094	4,996	4,368	628	14%	4,368
Service charges	-	8,573	8,573	688	8,855	8,573	282	3%	8,573
Investment revenue	-	447	447	-	-	447	(447)	-100%	447
Transfers and subsidies	-	27,328	27,899	(0)	20,353	27,899	(7,546)	-27%	27,328
Other own revenue	-	4,544	5,883	684	4,991	5,883	(892)	-15%	4,544
Total Revenue (excluding capital transfers and contributions)	-	45,259	47,170	4,445	38,195	47,170	(7,975)	-17%	45,259
Employee costs	-	28,823	28,823	4,543	30,758	28,823	1,935	7%	28,823
Remuneration of Councillors	-	3,099	3,099	463	3,212	3,099	113	4%	3,099
Depreciation & asset impairment	-	4,532	8,717	8,589	8,729	8,717	12	0%	4,532
Finance charges	-	-	50	-	-	50	(50)	-100%	-
Materials and bulk purchases	-	3,988	985	(1,281)	702	985	(284)	-29%	3,988
Transfers and subsidies	-	1,588	1,325	509	452	1,325	(873)	-66%	1,588
Other expenditure	-	17,693	17,819	8,759	14,207	17,819	(3,612)	-20%	17,693
Total Expenditure	-	59,722	60,819	21,582	59,059	60,819	(2,759)	-5%	59,722
Surplus/(Deficit)	-	(14,463)	(13,649)	(17,137)	(18,864)	(13,649)	(5,215)	38%	(14,463)
Transfers and subsidies - capital (monetary allocation)	-	14,567	19,067	-	8,823	19,067	(10,244)	-54%	14,567
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	104	5,418	(17,137)	(10,041)	5,418	(15,459)	-285%	104
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	104	5,418	(17,137)	(10,041)	5,418	(15,459)	-285%	104
Capital expenditure & funds sources									
Capital expenditure	-	14,567	23,855	-	-	19,067	(19,067)	-100%	14,567
Capital transfers recognised	-	14,567	23,855	-	-	19,067	(19,067)	-100%	14,567
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	14,567	23,855	-	-	19,067	(19,067)	-100%	14,567
Financial position									
Total current assets	-	-	20,880	-	(2,064)	-	-	-	-
Total non current assets	-	14,567	161,444	-	6,369	-	-	-	14,567
Total current liabilities	-	-	(38,616)	-	(14,346)	-	-	-	-
Total non current liabilities	-	-	(2,648)	-	-	-	-	-	-
Community wealth/Equity	-	-	(141,085)	-	-	-	-	-	-
Cash flows									
Net cash from (used) operating	-	36,826	52,528	7,566	93,020	31,286	(61,733)	-197%	36,826
Net cash from (used) investing	-	14,567	22,964	-	-	19,067	19,067	100%	14,567
Net cash from (used) financing	-	-	90	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	51,393	156,041	-	93,020	130,812	37,792	29%	51,393
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	(4,200)	675	828	1,287	893	748	5,538	42,876	48,845
Creditors Age Analysis									
Total Creditors	5,296	575	1,136	6	1	1	281	30,483	37,780

NC084 IKhels - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Revenue/Expenditure - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates	-	-	4,368	4,368	3,094	4,996	4,368	628	14%	4,368
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	4,168	4,168	285	4,090	4,168	(78)	-2%	4,168
Service charges - sanitation revenue	-	-	1,759	1,759	180	2,132	1,759	373	21%	1,759
Service charges - refuse revenue	-	-	2,646	2,646	223	2,633	2,646	(12)	0%	2,646
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	593	1,093	19	159	1,093	(934)	-85%	593
Interest earned - external investments	-	-	447	447	-	-	447	(447)	-100%	447
Interest earned - outstanding debtors	-	-	399	1,660	501	3,990	1,660	2,330	140%	399
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	(1)	-	-	-	-	-
Licences and permits	-	-	17	17	1	9	17	(8)	-46%	17
Agency services	-	-	1,885	885	69	371	885	(515)	-58%	1,885
Transfers and subsidies	-	-	27,328	27,899	(9)	20,353	27,899	(7,546)	-27%	27,328
Other revenue	-	-	1,651	2,229	74	463	2,229	(1,766)	-79%	1,651
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	-	45,259	47,170	4,445	38,185	47,170	(7,975)	-17%	45,259
Expenditure By Type										
Employee related costs	-	-	28,823	28,823	4,543	30,758	28,823	1,935	7%	28,823
Remuneration of councillors	-	-	3,099	3,099	463	3,212	3,099	113	4%	3,099
Debt impairment	-	-	5,884	6,974	6,972	6,972	6,974	(1)	0%	5,884
Depreciation & asset impairment	-	-	4,532	8,717	8,589	8,729	8,717	12	0%	4,532
Finance charges	-	-	-	50	-	-	50	(50)	-100%	-
Bulk purchases	-	-	3,461	281	(1,324)	265	281	(16)	-6%	3,461
Other materials	-	-	527	705	44	437	705	(268)	-38%	527
Contracted services	-	-	3,631	3,275	112	1,982	3,275	(1,293)	-39%	3,631
Transfers and subsidies	-	-	1,588	1,325	509	452	1,325	(873)	-66%	1,588
Other expenditure	-	-	8,278	7,570	1,675	5,253	7,570	(2,318)	-31%	8,278
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	-	-	59,722	60,819	21,582	58,059	60,819	(2,759)	-5%	59,722
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)	-	-	(14,463)	(13,648)	(17,137)	(18,884)	(13,648)	(5,215)	0	(14,463)
(National / Provincial and District)	-	-	-	-	-	-	-	-	-	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	14,567	19,067	-	8,823	19,067	(10,244)	(8)	14,567
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	104	5,418	(17,137)	(10,041)	5,418			104
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	-	-	104	5,418	(17,137)	(10,041)	5,418			104
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	-	-	104	5,418	(17,137)	(10,041)	5,418			104
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	-	104	5,418	(17,137)	(10,041)	5,418			104

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including ca	59,828	68,237	4,445	48,018	66,237	(18,218)	59,828
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NC084 IKheis - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICE		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	6,990	7,195	-	2,377	6,990	(4,814)	-66%	6,990
Vote 6 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 7 - STRATEGIC PLANNING		-	-	-	-	-	-	-	-	-
Vote 8 - (NAME OF VOTE 8)		-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	6,990	7,195	-	2,377	6,990	(4,814)	-66%	6,990
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICE		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL MANAGEMENT SERVICES		-	-	-	-	(4,253)	-	(4,253)	#DIV/0!	-
Vote 4 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	7,577	16,460	-	1,877	12,077	(10,200)	-84%	7,577
Vote 6 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 7 - STRATEGIC PLANNING		-	-	-	-	-	-	-	-	-
Vote 8 - (NAME OF VOTE 8)		-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	7,577	16,460	-	(2,377)	12,077	(14,453)	-120%	7,577
Total Capital Expenditure		-	14,567	23,655	-	-	19,067	(19,067)	-100%	14,567

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		-	-	(35,477)	-	-	(11,909)	11,909	-100%	-
Executive and council		-	-	6,411	-	-	6,411	(6,411)	-100%	-
Finance and administration		-	-	(41,888)	-	-	(18,320)	18,320	-100%	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	2,301	-	-	2,301	(2,301)	-100%	-
Community and social services		-	-	1,405	-	-	1,405	(1,405)	-100%	-
Sport and recreation		-	-	35	-	-	35	(35)	-100%	-
Public safety		-	-	861	-	-	861	(861)	-100%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	3,577	7,949	-	-	4,982	(4,982)	-100%	3,577
Planning and development		-	-	1,985	-	-	1,985	(1,985)	-100%	-
Road transport		-	3,577	5,963	-	-	2,997	(2,997)	-100%	3,577
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	10,990	18,607	-	-	18,275	(18,275)	-100%	10,990
Energy sources		-	-	7,790	-	-	7,790	(7,790)	-100%	-
Water management		-	4,000	4,644	-	1,381	3,316	(1,935)	-58%	4,000
Waste water management		-	427	973	-	-	973	(973)	-100%	427
Waste management		-	6,563	6,400	-	(1,381)	6,196	(7,577)	-122%	6,563
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	14,587	(5,421)	-	-	13,849	(13,849)	-100%	14,587
Funded by:										
National Government		-	14,567	23,855	-	-	19,067	(19,067)	-100%	14,567
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	14,567	23,855	-	-	19,067	(19,067)	-100%	14,567
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total Capital Funding		-	14,567	23,855	-	-	19,067	(19,067)	-100%	14,567

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment
3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations
4. Include expenditure on investment property, intangible and biological assets
5. Must reconcile to Monthly Budget Statement Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

NC084 IKheis - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	4,759	4,859	3,094	4,997	4,859	138	3%	4,759
Service charges		-	(2,256)	(2,325)	(3,291)	4,834	(2,415)	7,249	-300%	(2,255)
Other revenue		-	(42,007)	(19,584)	(2,253)	(866)	(45,304)	44,438	-98%	(42,007)
Government - operating		-	21,374	21,845	(224)	28,999	21,845	7,164	33%	21,374
Government - capital		-	5,142	554	4,227	13,050	5,142	7,908	154%	5,142
Interest		-	845	2,107	0	(346)	2,107	(2,452)	-116%	845
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		-	47,719	43,754	5,512	41,906	43,754	1,847	4%	47,719
Finance charges		-	-	60	-	-	60	50	100%	-
Transfers and Grants		-	1,249	1,249	502	444	1,249	804	64%	1,249
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	38,828	52,528	7,568	93,020	31,288	(61,733)	-197%	38,828
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	(691)	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	14,567	23,655	-	-	19,067	19,067	100%	14,567
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	14,567	22,964	-	-	19,067	19,067	100%	14,567
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	90	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	90	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	51,393	75,582	7,568	93,020	50,353			51,393
Cash/cash equivalents at beginning:		-	-	80,459		-	80,459			-
Cash/cash equivalents at month/year end:		-	51,393	156,041		93,020	130,812			51,393

References

1. Material variances to be explained in Table SC1

NC084 IKheis - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		-	-	177	(14,600)	-
Call investment deposits		-	-	-	3	-
Consumer debtors		-	-	17,686	9,596	-
Other debtors		-	-	3,806	2,937	-
Current portion of long-term receivables		-	-	(875)	-	-
Inventory		-	-	286	-	-
Total current assets		-	-	20,880	(2,084)	-
Non current assets						
Long-term receivables		-	-	691	-	-
Investments		-	-	-	-	-
Investment property		-	-	-	-	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		-	14,567	162,822	6,369	14,567
Agricultural		-	-	-	-	-
Biological assets		-	-	(2,070)	-	-
Intangible assets		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		-	14,567	161,444	6,369	14,567
TOTAL ASSETS		-	14,567	182,324	4,305	14,567
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	4,919	-	-
Consumer deposits		-	-	(90)	-	-
Trade and other payables		-	-	(37,281)	(14,349)	-
Provisions		-	-	(6,163)	3	-
Total current liabilities		-	-	(38,615)	(14,349)	-
Non current liabilities						
Borrowing		-	-	(2,378)	-	-
Provisions		-	-	(270)	-	-
Total non current liabilities		-	-	(2,648)	-	-
TOTAL LIABILITIES		-	-	(41,263)	(14,349)	-
NET ASSETS	2	-	14,567	223,587	18,652	14,567
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		-	-	(141,065)	-	-
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	-	-	(141,065)	-	-

References

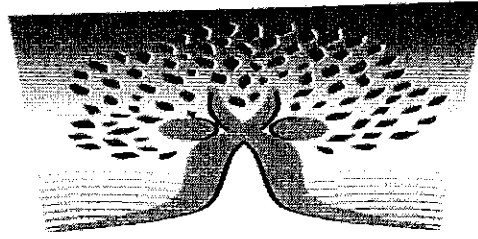
1. Material variances to be explained in Table SC1
2. Total Assets must balance with Total Liabilities
3. Net Assets must balance with Total Community Wealth/Equity

NC084 IKheis - Supporting Table SA25 Budgeted monthly revenue and expenditure

2020/21		2019/20		2018/19		2017/18		2016/17		2015/16		2014/15		2013/14		2012/13		2011/12		2010/11		2009/10		2008/09		2007/08		2006/07		2005/06		2004/05		2003/04		2002/03		2001/02		2000/01		1999/00		1998/99		1997/98		1996/97		1995/96		1994/95		1993/94		1992/93		1991/92		1990/91		1989/90		1988/89		1987/88		1986/87		1985/86		1984/85		1983/84		1982/83		1981/82		1980/81		1979/80		1978/79		1977/78		1976/77		1975/76		1974/75		1973/74		1972/73		1971/72		1970/71		1969/70		1968/69		1967/68		1966/67		1965/66		1964/65		1963/64		1962/63		1961/62		1960/61		1959/60		1958/59		1957/58		1956/57		1955/56		1954/55		1953/54		1952/53		1951/52		1950/51		1949/50		1948/49		1947/48		1946/47		1945/46		1944/45		1943/44		1942/43		1941/42		1940/41		1939/40		1938/39		1937/38		1936/37		1935/36		1934/35		1933/34		1932/33		1931/32		1930/31		1929/30		1928/29		1927/28		1926/27		1925/26		1924/25		1923/24		1922/23		1921/22		1920/21		1919/20		1918/19		1917/18		1916/17		1915/16		1914/15		1913/14		1912/13		1911/12		1910/11		1909/10		1908/09		1907/08		1906/07		1905/06		1904/05		1903/04		1902/03		1901/02		1900/01		1899/00		1898/99		1897/98		1896/97		1895/96		1894/95		1893/94		1892/93		1891/92		1890/91		1889/90		1888/89		1887/88		1886/87		1885/86		1884/85		1883/84		1882/83		1881/82		1880/81		1879/80		1878/79		1877/78		1876/77		1875/76		1874/75		1873/74		1872/73		1871/72		1870/71		1869/70		1868/69		1867/68		1866/67		1865/66		1864/65		1863/64		1862/63		1861/62		1860/61		1859/60		1858/59		1857/58		1856/57		1855/56		1854/55		1853/54		1852/53		1851/52		1850/51		1849/50		1848/49		1847/48		1846/47		1845/46		1844/45		1843/44		1842/43		1841/42		1840/41		1839/40		1838/39		1837/38		1836/37		1835/36		1834/35		1833/34		1832/33		1831/32		1830/31		1829/30		1828/29		1827/28		1826/27		1825/26		1824/25		1823/24		1822/23		1821/22		1820/21		1819/20		1818/19		1817/18		1816/17		1815/16		1814/15		1813/14		1812/13		1811/12		1810/11		1809/10		1808/09		1807/08		1806/07		1805/06		1804/05		1803/04		1802/03		1801/02		1800/01		1799/00		1798/99		1797/98		1796/97		1795/96		1794/95		1793/94		1792/93		1791/92		1790/91		1789/90		1788/89		1787/88		1786/87		1785/86		1784/85		1783/84		1782/83		1781/82		1780/81		1779/80		1778/79		1777/78		1776/77		1775/76		1774/75		1773/74		1772/73		1771/72		1770/71		1769/70		1768/69		1767/68		1766/67		1765/66		1764/65		1763/64		1762/63		1761/62		1760/61		1759/60		1758/59		1757/58		1756/57		1755/56		1754/55		1753/54		1752/53		1751/52		1750/51		1749/50		1748/49		1747/48		1746/47		1745/46		1744/45		1743/44		1742/43		1741/42		1740/41		1739/40		1738/39		1737/38		1736/37		1735/36		1734/35		1733/34		1732/33		1731/32		1730/31		1729/30		1728/29		1727/28		1726/27		1725/26		1724/25		1723/24		1722/23		1721/22		1720/21		1719/20		1718/19		1717/18		1716/17		1715/16		1714/15		1713/14		1712/13		1711/12		1710/11		1709/10		1708/09		1707/08		1706/07		1705/06		1704/05		1703/04		1702/03		1701/02		1700/01		1699/00		1698/99		1697/98		1696/97		1695/96		1694/95		1693/94		1692/93		1691/92		1690/91		1689/90		1688/89		1687/88		1686/87		1685/86		1684/85		1683/84		1682/83		1681/82		1680/81		1679/80		1678/79		1677/78		1676/77		1675/76		1674/75		1673/74		1672/73		1671/72		1670/71		1669/70		1668/69		1667/68		1666/67		1665/66		1664/65		1663/64		1662/63		1661/62		1660/61		1659/60		1658/59		1657/58		1656/57		1655/56		1654/55		1653/54		1652/53		1651/52		1650/51		1649/50		1648/49		1647/48		1646/47		1645/46		1644/45		1643/44		1642/43		1641/42		1640/41		1639/40		1638/39		1637/38		1636/37		1635/36		1634/35		1633/34		1632/33		1631/32		1630/31		1629/30		1628/29		1627/28		1626/27		1625/26		1624/25		1623/24		1622/23		1621/22		1620/21		1619/20		1618/19		1617/18		1616/17		1615/16		1614/15		1613/14		1612/13		1611/12		1610/11		1609/10		1608/09		1607/08		1606/07		1605/06		1604/05		1603/04		1602/03		1601/02		1600/01		1599/00		1598/99		1597/98		1596/97		1595/96		1594/95		1593/94		1592/93		1591/92		1590/91		1589/90		1588/89		1587/88		1586/87		1585/86		1584/85		1583/84		1582/83		1581/82		1580/81		1579/80		1578/79		1577/78		1576/77		1575/76		1574/75		1573/74		1572/73		1571/72		1570/71		1569/70		1568/69		1567/68		1566/67		1565/66		1564/65		1563/64		1562/63		1561/62		1560/61		1559/60		1558/59		1557/58		1556/57		1555/56		1554/55		1553/54		1552/53		1551/52		1550/51		1549/50		1548/49		1547/48		1546/47		1545/46		1544/45		1543/44		1542/43		1541/42		1540/41		1539/40		1538/39		1537/38		1536/37		1535/36		1534/35		1533/34		1532/33		1531/32		1530/31		1529/30		1528/29		1527/28		1526/27		1525/26		1524/25		1523/24		1522/23		1521/22		1520/21		1519/20		1518/19		1517/18		1516/17		1515/16		1514/15		1513/14		1512/13		1511/12		1510/11		1509/10		1508/09		1507/08		1506/07		1505/06		1504/05		1503/04		1502/03		1501/02		1500/01		1499/00		1498/99		1497/98		1496/97		1495/96		1494/95		1493/94		1492/93		1491/92		1490/91		1489/90		1488/89		1487/88		1486/87		1485/86		1484/85		1483/84		1482/83		1481/82		1480/81		1479/80		1478/79		1477/78		1476/77		1475/76		1474/75		1473/74		1472/73		1471/72		1470/71		1469/70		1468/69		1467/68		1466/67		1465/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NC084 Kheis - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
1	Capital Expenditure - Functional																
	<i>Governance and administration</i>																
	Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Community and public safety</i>																
	Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Economic and environmental services</i>																
	Planning and development		298	298	298	298	298	298	298	298	298	298	298	298	3,577	-	-
	Road transport		298	298	298	298	298	298	298	298	298	298	298	298	3,577	-	-
	Environmental protection		916	916	916	916	916	916	916	916	916	916	916	916	10,990	10,691	11,035
	<i>Trading services</i>																
	Energy sources		333	333	333	333	333	333	333	333	333	333	333	333	4,000	-	-
	Water management		583	583	583	583	583	583	583	583	583	583	583	583	6,990	10,691	11,035
	Waste water management																
	Waste management																
	<i>Other</i>																
2	Total Capital Expenditure - Functional		1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	14,567	10,691	11,035
	Funded by:																
	National Government		1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	14,567	10,691	11,035
	Provincial Government																
	District Municipality																
	Other transfers and grants																
	Transfers recognised - capital		1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	14,567	10,691	11,035
	Public contributions & donations																
	Borrowing																
	Internally generated funds																
	Total Capital Funding		1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	14,567	10,691	11,035



!Kheis
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Municipality

APPENDIX L

CONDITIONAL GRANT: EXCLUDING MIG

Details	Budget	ADJ Budget	Actual	Variance%	
				Budget	ADJ Budget
(FMG) Financial Management Grant	2415000	0	2414800	99.99	0
(EPWP) Expanded Public works Programme	1000000	0	968770.7	96.88	0



FMG QUARTERLY SUMMARY OF 2018/2019 ALLOCATION
TOTAL ALLOCATION 2018/2019:

DATE	AMOUNT RECEIVED	EXPENDITURE	BENEFICIARY	DESCRIPTION	
July 2018					
August 2018	2,415,000.00	99,356.71 194,909.22 367,500.00 18,817.50 18,817.50 18,817.50 142,833.00 70,423.53 931,474.96	NASHUA Title Consultancy Title Consultancy S Kordom D Neels L. Pieterse Bytes Bytes	Systems Compilation of AFS Compilation of AFS Salary (July & Aug) Salary (July & Aug) Salary (July & Aug) Systems Systems	d/o 9065 9102 8984 9016
September 2018		9,408.75 9,408.75 9,408.75 1250,000.00 195,000.00 2,513.25 1,385.50 2,777.00 1,385.50 3,960.00 485,247.50	S Kordom D Neels L. Pieterse Bytes Title Consultancy ZFM District ZFM District ZFM District ZFM District ZFM District	Salary Salary Salary Systems Compilation of AFS Training-SCM Training-PMS Training-Internal Audit Training-PMS Training-Internal Audit	9135 9130 9128 9113 9112 9114
October 2018		9,408.75 9,408.75 9,408.75 8,194.81 8,194.81 1,561.50 2,906.00 9,087.50 58,170.87	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts ZFM District ZFM District ZFM District	Salary Salary Salary Salary Salary Training-Internal Audit Training-PMS Training-Internal Audit	9140 9177 9182
November 2018		18,816.00 18,816.00 9,408.75 8,194.81 8,194.81 4,156.36 67,586.67	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts ZFM District	Salary Salary Salary Salary Salary Training-PMS(aug ocb)	9090
December 2018		9,408.75 9,408.75 9,408.75 8,194.81 8,194.81 44,613.87	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts	Salary Salary Salary Salary Salary	
January 2019		9,408.75 9,408.75 9,408.75 8,194.81 8,194.81 44,613.87	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts	Salary Salary Salary Salary Salary	
February 2019		11,316.18 11,316.18 10,497.24 8,803.97 8,803.97 50,737.54	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts	Salary Salary Salary Salary Salary	
March 2019		11,316.18 11,316.18 10,497.24 8,803.97 8,803.97 200.00 200.00 1,880.00 840.00 2,820.00 3,660.00 840.00 840.00 1,090.00 3,120.00 1,580.00 2,420.00 3,060.00 840.00 1,680.00 840.00 301,526.09 178,173.63	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts S Kordom C Springbok S Mahonie E Job E Saal C Bitterbos F Dir Raan A Gous V Koopman R Hugo E Murray D Block A Daniels J France R Hugo W Oor TGIS	Salary Salary Salary Salary Salary Adjustment budget assistance PT Adjustment budget assistance PT Adjustment budget assistance PT Invite to Provincial records forum Lgseta capacity building good governance Lgseta capacity building good governance Invite to Provincial records forum Invite to Provincial records forum Invite to Provincial records forum Invite to Audit committee training Invite to Audit committee training Invite to CFO Forum Invite to CFO Forum Invite to Lgseta LED Training Invite to Annual Report Assessment Invite to Annual Report Assessment Invite to Municipality Property rates act Systems	9349 9368 9350 9341 9357 9366 9354 9356 9352 9359 9351 9348 9410 9361 9360 9321 997689373

April 2019		8,803.97	V. Brummer	Salary	
		8,803.97	Z. Swarts	Salary	
		17,507.94			
May 2019		8,803.97	V. Brummer	Salary	
		8,803.97	Z. Swarts	Salary	
		3,120.00	J Esau	Invite to Spluma forum	9545
		300.00	M Greef	Housing & Batho pele Workshop	9520
		300.00	L Rahman	Housing & Batho pele Workshop	9519
		300.00	J Links	Housing & Batho pele Workshop	9518
		2,820.00	J Esau	Housing & Batho pele Workshop	9546
		940.00	W Oor	Municipal Budget engagement 2019/20	9539
		840.00	W Oor	Local GRN -Municipal property rates act workshop	9321
		100.00	L Pieterse	Consultation meeting	9538
		3,900.00	A Daniels	Invite to Lgseta LED Training	9534
		30,227.94			
June 2019		8,803.97	V. Brummer	Salary	
		8,803.97	Z. Swarts	Salary	
		4,060.00	M Andreas	MFMA Training	9642
		4,060.00	Z. Swarts	MFMA Training	9644
		4,060.00	M Esau	MFMA Training	9643
		4,060.00	EG Louw	MFMA Training	9645
		6,090.00	V. Brummer	MFMA Training	9646
		820.00	A Mouton	Invite to Provincial records forum	9621
		300.00	S De Wee	SCM Workshop	9614, 9615
		2,820.00	S Mahonie	SCM Workshop	9603, 9605
		100.00	L Pieterse	SCM Workshop	
		940.00	R Hugo	IT Workshop	9640
		1,880.00	C Louw	GRAP AFS Training	9606
		200.00	S Kordom	GRAP AFS Training	9580
		200.00	J Jantjes	GRAP AFS Training	9579
		200.00	E Murray	GRAP AFS Training	9597
		200.00	V. Brummer	GRAP AFS Training	9585
		1,880.00	W OOR	GRAP AFS Training	9598
		415,146.28	Nashua	Systems	9581
		41,716.73	Interns	Short report on salaries	9055, 9125, 9205, 9241
		506,340.55			

ROLL OVER 2017/2018


TOTAL AMOUNT RECEIVED 2,415,000.00

TOTAL EXPENDITURE 2,414,799.74

BALANCE 200.26

Percentage Spent 99.99

NARRATIVES

Prepared by:  Date: 03-07-2019

Reviewed by:  Date: 03-07-2019

S Mahonie



EPWP QUARTERLY SUMMARY OF 2018/2019 ALLOCATION
TOTAL ALLOCATION 2018/2019:

DATE	AMOUNT RECEIVED	EXPENDITURE	BENEFICIARY	DESCRIPTION
July 2018				
August 2018	250,000.00	5,841.00 5,613.30 11,454.30	Salary Salary	Salary (July) Salary (Aug)
September 2018		5,613.30 5,613.30	Salary	Salary
October 2018		5,880.60 12,355.20 11,761.20 29,997.00	Salary Salaries Salaries	Salary Epwp hoofstraat oct Epwp hoofstraat oct
November 2018		5,613.30 11,286.00 3,267.00 17,830.40 530.55 39,527.65	Salary Salaries Salaries Salaries Kik	Salary Epwp hoofstraat nov Epwp hoofstraat nov Epwp hoofstraat nov Purchase hand gloves
December 2018	450,000.00	13,726.30 5,078.70 11,142.40 29,947.40	Salaries Salary Salaries	Epwp hoofstraat dec Salary Epwp hoofstraat dec
January 2019		10,667.20 4,008.50 2,227.50 202,392.09 219,296.29	Salaries Salary Fuel Eskom	Epwp hoofstraat jan Salary Epwp hoofstraat jan Services
February 2019	300,000.00	9,358.00 9,586.80 10,740.60 3,118.50 32,813.90	Salaries Salaries Koop agri Salary	Epwp hoofstraat feb Epwp hoofstraat feb Purchases Epwp hoofstraat feb
March 2019		9,800.80 5,713.30 9,860.40 5,643.00 5,078.70 9,385.20 45,390.40	Salaries Salary Salaries Salaries Salary Salaries	Epwp hoofstraat mar Salary Epwp hoofstraat mar Epwp hoofstraat mar Salary-mar Epwp hoofstraat mar
April 2019		9,385.20 8,781.80 7,484.40 25,651.40	Salaries Salaries Salaries	Epwp hoofstraat april Epwp hoofstraat april Epwp hoofstraat april
May 2019		28,115.50 850.40 7,603.20 77,660.00 5,620.02 18,198.00 139,247.12	Salaries Salaries Salaries Venita Trading services Koop agri Van der Blasting	Epwp hoofstraat May Epwp hoofstraat May Epwp hoofstraat May Paving Blocks Cement (Purchases) Hire machinery
June 2019		28,789.20 32,313.80 4,637.32 9,091.00 13,600.00 77,660.00 106,192.99 112,880.00 5,613.30 11,434.50 401,861.91	Salaries Salaries Kik Reddy Gijzen trust Gijzen trust Venita Trading services Venita Trading services Salaries Salaries	Epwp hoofstraat June Epwp hoofstraat June Purchases cement Purchases safety clothing Purchases red sand Hire machinery Paving Blocks Paving Blocks Epwp hoofstraat June Epwp hoofstraat June

RECEIVED PRIOR PERIOD 7,000,000.00
ROLL OVER 2017/2018
TOTAL AMOUNT RECEIVED 1,000,000.00
TOTAL EXPENDITURE 968,770.67
BALANCE 31,229.33

Percentage Spent 96.88

NARRATIVES

Prepared by: S Kerdem

03-07-2019

Reviewed by: S Makone

03-07-2019

9526

9527

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9532

Monthly Report as per the Division of Revenue Act

Municipality Name		Ikheis	
Budget Allocation for 2018-19 FY	R	1,000,000	
Accumulated Expenditure	R	968,770	
Available Balance	R	31,230	

	Financial Accounting for Grant Funds Received and Expended												Financial Year 2018-19	
	July	August	September	October	November	December	January	February	March	April	May	June	Month End	Jun-19
Received Prior Months (Current Financial Year)	R	-	R	250,000	R	250,000	R	250,000	R	700,000	R	1,000,000	R	1,000,000
Received in the Current Month	R	250,000	R	250,000	R	250,000	R	250,000	R	700,000	R	1,000,000	R	1,000,000
Total EPWP funds Received	R	250,000	R	250,000	R	250,000	R	250,000	R	700,000	R	1,000,000	R	1,000,000
Spent Prior Months (Current Financial Year)	R	-	R	11,454	R	17,068	R	47,065	R	110,540	R	329,836	R	433,642
Spent in the Current Month	R	11,454	R	5,613	R	29,997	R	33,528	R	29,947	R	16,904	R	45,390
Compensation of Employees	R	-	R	5,613	R	29,997	R	32,997	R	29,947	R	16,904	R	45,390
Goods and Services	R	-	R	-	R	-	R	531	R	-	R	-	R	-
Machinery and Equipment	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Accumulated EPWP Expenditure	R	11,454	R	17,068	R	47,065	R	80,592	R	110,540	R	329,836	R	433,642
Total EPWP funds Received and Not Spent	R	238,546	R	232,932	R	202,935	R	169,408	R	589,460	R	670,164	R	370,164
Expenditure as % of received amount	R	0%	R	7%	R	15%	R	32%	R	47%	R	57%	R	43%
Funds Currently Committed but Not Spent	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Scheduled Transfers Withheld	R	-	R	-	R	-	R	-	R	-	R	-	R	-

Expenditure on Approved Rollover												Total	
Approved Rollover	July	August	September	October	November	December	January	February	March	April	May	June	Total
R	-	R	-	R	-	R	-	R	-	R	-	R	-
Compensation of Employees	-	-	-	-	-	-	-	-	-	-	-	-	-
Goods and Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-

Comments: The project started on the 02 October 2018, due to planning phase.

COUSULUIS STEPHANUS VAN ECK

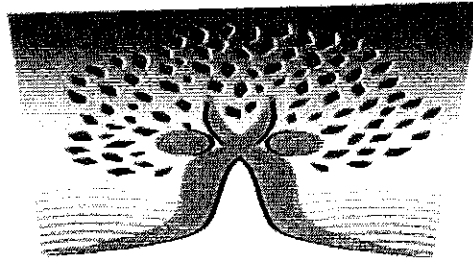
(Print Name Below)

Certify that this report is correct and that this report has been submitted electronically as required.

The Accounting Officer or Delegate certify that the above information is correct

Signed

Dated: 03-07-2019



!Kheis
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Municipality

APPENDIX M

NC084 !Kheis - Table A9 Asset Management

Description	Ref	2015/16			2016/17		2017/18		Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22		
CAPITAL EXPENDITURE														
Total New Assets	1	16,103	14,257	15,594			-	-		350	-	-		
<i>Roads Infrastructure</i>		-	3,959	-			-	-		-	-	-		
<i>Storm water Infrastructure</i>		-	-	-			-	-		-	-	-		
<i>Electrical Infrastructure</i>		1,313	-	-			-	-		-	-	-		
<i>Water Supply Infrastructure</i>		4,420	10,298	15,594			-	-		-	-	-		
<i>Sanitation Infrastructure</i>		10,050	-	-			-	-		-	-	-		
<i>Solid Waste Infrastructure</i>		-	-	-			-	-		-	-	-		
<i>Rail Infrastructure</i>		-	-	-			-	-		-	-	-		
<i>Coastal Infrastructure</i>		-	-	-			-	-		-	-	-		
<i>Information and Communication Infrastructure</i>		-	-	-			-	-		-	-	-		
Infrastructure		15,783	14,257	15,594			-	-		350	-	-		
Community Facilities		321	-	-			-	-		-	-	-		
Sport and Recreation Facilities														
Community Assets		321					-	-		350	-	-		
Heritage Assets							-	-		-	-	-		
Revenue Generating		-					-	-		-	-	-		
Non-revenue Generating		-					-	-		-	-	-		
Investment properties							-	-		-	-	-		
Operational Buildings		-					-	-		-	-	-		
Housing		-					-	-		-	-	-		
Other Assets							-	-		-	-	-		
Biological or Cultivated Assets							-	-		-	-	-		
Services		-					-	-		-	-	-		
Licences and Rights		-					-	-		-	-	-		
Intangible Assets							-	-		-	-	-		
Computer Equipment		-					-	-		-	-	-		
Furniture and Office Equipment		-					-	-		-	-	-		
Machinery and Equipment		-					-	-		-	-	-		
Transport Assets							-	-		-	-	-		

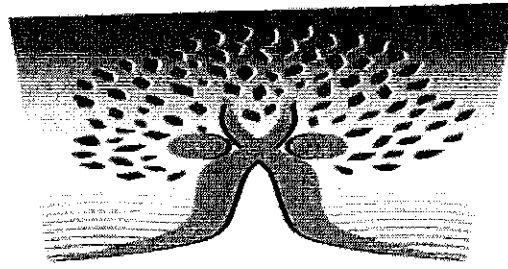
[illegible]

Roads Infrastructure	-	3,959	-	3,577	3,577	3,577	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	1,313	-	-	-	-	-	-	-	-
Water Supply Infrastructure	4,420	10,298	15,594	4,000	4,000	4,000	4,500	-	-
Sanitation Infrastructure	10,050	-	-	6,990	6,990	6,990	10,691	11,035	11,529
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	15,783	14,257	15,594	14,567	14,567	14,567	15,191	11,035	11,529
Community Facilities	321	-	-	-	-	-	500	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	321	-	-	-	-	-	500	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	16,103	14,257	15,594	14,567	14,567	14,567	15,691	11,035	11,529

NC084 !Kheis - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	15,191	11,035	11,529
Single-year expenditure to be appropriated	2	-	-	-	-	-	-	-	-	-	-
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		321	3,959	-	-	-	-	-	500	-	-
Vote 5 - TECHNICAL SERVICES		15,783	10,298	15,594	14,567	14,567	14,567	14,567	-	-	-
Vote 6 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 7 - STRATEGIC PLANNING		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		16,103	14,257	15,594	14,567	14,567	14,567	14,567	500	-	-
Total Capital Expenditure - Vote		16,103	14,257	15,594	14,567	14,567	14,567	14,567	15,691	11,035	11,529

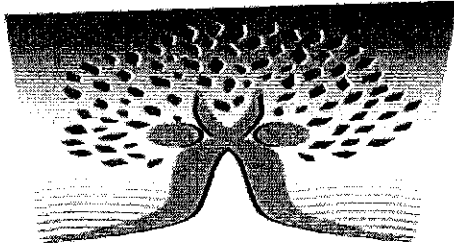


! Kheis
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Municipality

APPENDIX N

IKHEIS MUNISIPALITEIT
CAPITAL PROGRAMME - 2018/2019

CAPITAL PROJECTS	Original Budget	Adj Budget	Actual	Variance Act		Variance Act-ORB%
				Adj%		
Development of UDS toilets	427,362.34	427,362.34	-	0	0	0
Upgrading of internal streets	3,576,634.28	3,576,634.28	161,714.33	4.5	4.5	4.5
Grootdrink :Sewer reticulation,Pump Station & rising main	2,769,099.39	2,769,099.39	5,455,474.00	197	197	197
Grobbershoop Sternham& Duineveld Sewer reticulation Pump Station	3,793,903.99	3,793,903.99	2,171,819.00	57	57	57
Water reticulation	4,000,000.00	8,500,000.00	7,522,116.80	88	88	88
	14,567,000.00	19,067,000.00	15,311,124.13			



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APPENDIX O

IKheis Municipality Projects for 2018/19 FY

Project Description	Funding (Y/N)	Amount	Duration of Project	Contract (Y/N)	Impediments
1. Upgrading of Brandboom Water Treatment Works	Y	R 4,000,000	6 months	N	DWS
2. Upgrading of Gariep Water Treatment Works	N	R 6,000,000	8 months	N	Awaiting response from MIG
3. Upgrading of Topline Water Treatment Works	N	R 5,800,000	8 months	N	To submit Technical Report to DWS
4. Upgrading of Oxidation Ponds in Brandboom	N	R 9,600,000	7 months	N	To submit Technical Report to DWS
5. Construction of Sewer Reticulation, Pump Station in Grootdrink	Y	R 5,000,000	Phases	Y	10% in process
6. Construction of Sewer Reticulation, Pump Station in Steinharn	Y	N/A	Phases	N	Awaiting revised Business Plan
7. Construction of Sewer Reticulation, Pump Station in Wegdraai	N	R 11,730,000	8 months	N	Awaiting response from MIG
8. Construction of Landfill Sites in IKheis Municipal Area	N	R 10,500,000	6 months	N	Technical Report Submitted to MIG
9. Construction of Water Treatment Works in Zuma Village	Y	R 10,000,000	5 months	Y	Completed
10. Upgrading of Internal Streets in Steinharn	Y	R 3,300,000	6 months	Y	Completed
11. Construction of Housing Services in Topline	N	R 30,000,000	24 months	N	Awaiting response from COGHSTA
12. Construction of Recreational Parks in Groblershoop, Grootdrink	N	R 3,500,000	4 months	N	Project to be Implemented with EPWP funds
13. Upgrading of Cemeteries in IKheis Municipal Area	N	R 5,000,000	5 months	N	To Re-submit Technical Report
14. Refurbishment of Groblershoop Water Treatment Works	Y	R 7,500,000	6 months	N	To implement project in 2017/18 (WSIG funds)



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GROBLERSHOOP

Phone: 054 – 833 9500
Fax: 054 – 833 0690

2018/2019

EPWP

Ward 3

Settlements : Sternham, Groblershoop Dorp & Opwag

Ward Councillor: Cllr Abraham

Top four Service Delivery Priorities

- Water
- Sanitation
- Roads & Storm Water
- Housing

Capital Project

Project Name : Upgrading of “Hoofstraat” Groblershoop

Locality : Groblershoop (Dorp)

Funder : EPWP

Budget Value : R 900 000.00

Duration : 02 July 2018 till 29 March 2019

Project Status : Construction

Capital Project

Project Name : Data Capturer

Locality : Groblershoop (Dorp)

Funder : EPWP

Budget Value : R 100 000.00

Duration : 02 July 2018 till 28 June 2019

Project Status : Construction



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2018/2019

Ward 2

Settlements : Gariep & Grootdrink

Ward Councillor : Cllr Samuel Esau

Top Four Service delivery Priorities

- Water
- Sanitation
- Roads & Storm Water
- Housing

Capital Project

Project Name : Sewer Reticulation System. Pump Station and Sewer Rising

Locality : Grootdrink

Funder : MIG

Budget Value : R 9 280 737.05

Duration : 01 Feb 2018 till 30 June 2019

Project Status : Construction

Ward 3

Settlements : Sternham, Groblershoop Dorp & Opwag

Ward Councillor: Cllr Abraham Tobias

Top four Service Delivery Priorities

- Water
- Sanitation
- Roads & Storm Water
- Housing

Capital Project

Project Name : Sternham & Duineveld Sewer Reticulation & Pump Station

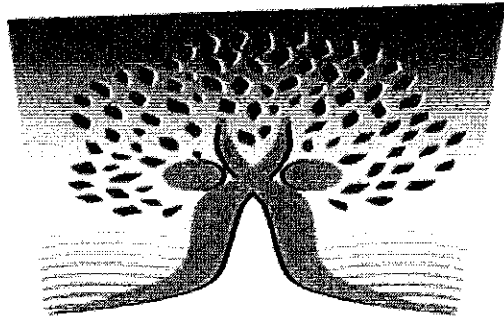
Locality : Sternham

Funder : MIG

Budget Value : R 10 946 476.72

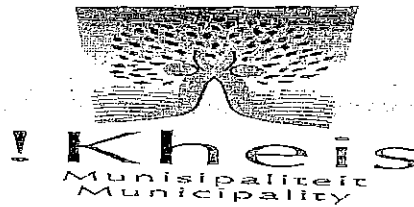
Duration : 25 October 2018 till 31 October 2019

Project Status : Contractor Recently Appointed



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APPENDIX P

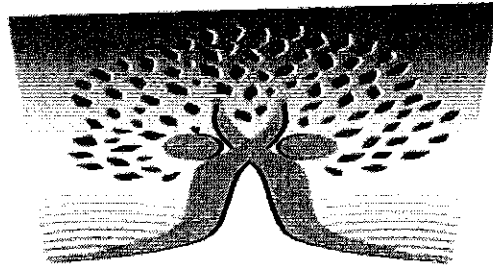


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Phone : 054 - 833 9500
Fax : 054 - 833 0690

APPENDIX P - MUNICIPAL ENTITY/ SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS WITH THEIR NAMES AND LOCATION

None



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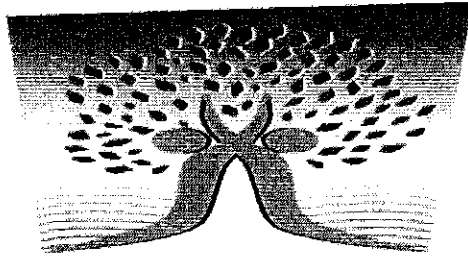
APPENDIX Q

	No	Yes
Electricity Service What is your electricity availability percentage on average per month? Do your municipality have a ripple control in place that is operational? (Yes/No) How much do you estimate is the cost saving in utilizing the ripple control system? What is the frequency of meters being read? (per month, per year) Are estimated consumption calculated at consumption over (two months/three months/longer period) On average for how long does the municipality use estimates before reverting back to actual readings? (months) Duration before availability of electricity is restored in cases of breakages (immediate/one day/two days/longer) Are accounts normally calculated on actual readings? (Yes/no) Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No) How long does it take to replace faulty meters? (days) Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No) How effective is the action plan in cutting line losses? (Good/Bad) How soon does the municipality provide a quotation to a customer upon a written request? (days) How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days) How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days) How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	Ho	Yes
Sewerage Service Are your purification system effective enough to put water back in to the system after purification? To what extend do you subsidize your indigent consumers? How long does it take to restore sewerage breakages on average Severe overflow? (hours) Sewer blocked pipes: Large pipes? (Hours) Sewer blocked pipes: Small pipes? (Hours) Spillage clean-up? (hours) Replacement of manhole covers? (Hours)	1 Fee Removal 24 Hours 24 Hours 24 Hours 3 Days	
Road Infrastructure Services Time taken to repair a single pothole on a major road? (Hours) Time taken to repair a single pothole on a minor road? (Hours) Time taken to repair a road following an open trench service crossing? (Hours) Time taken to repair walkways? (Hours)	1 Month 1 Month 24 Hours 1 Month	
Property valuations How long does it take on average from completion to the first account being issued? (one month/three months or longer) Do you have any special rating properties? (Yes/No)	Longer	

<p>Financial Management</p> <p>Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)</p> <p>Are the financial statement outsources? (Yes/No)</p> <p>Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?</p> <p>How long does it take for an Tax Invoice to be paid from the date it has been received?</p> <p>Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?</p> <p>Administration</p> <p>Reaction time on enquiries and requests?</p> <p>Time to respond to a verbal customer enquiry or request? (working days)</p> <p>Time to respond to a written customer enquiry or request? (working days)</p> <p>Time to resolve a customer enquiry or request? (working days)</p> <p>What percentage of calls are not answered? (5%, 10% or more)</p> <p>How long does it take to respond to voice mail? (hours)</p> <p>Does the municipality have control over locked enquiries? (Yes/No)</p> <p>Is there a reduction in the number of complaints or not? (Yes/No)</p> <p>How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)</p> <p>How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?</p> <p>Community safety and licensing services</p> <p>How long does it take to register a vehicle? (minutes)</p> <p>How long does it take to renew a vehicle license? (minutes)</p> <p>How long does it take to issue a duplicate registration certificate vehicle? (minutes)</p> <p>How long does it take to de-register a vehicle? (minutes)</p> <p>How long does it take to renew a drivers license? (minutes)</p> <p>What is the average reaction time of the fire service to an incident? (minutes)</p> <p>What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)</p> <p>What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)</p> <p>Economic development</p> <p>How many economic development projects does the municipality drive?</p> <p>How many economic development programmes are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?</p> <p>What percentage of the projects have created sustainable job security?</p> <p>Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)</p> <p>Other Service delivery and communication</p> <p>Is a Information package handed to the new customer? (Yes/No)</p> <p>Does the municipality have training or information sessions to inform the community? (Yes/No)</p> <p>Are customers treated in a professional and friendly manner? (Yes/No)</p>	<p>Decrease</p> <p>Yes</p> <p>Yes</p> <p>90 days</p> <p>Yes</p>
<p>Records Management</p> <p>Does the municipality respond within 3 working days on all the queries that arise</p> <p>Weekly reports are submitted to CFO and Municipal Manager of all requisitions submitted and progress thereof</p>	<p>5 minutes</p> <p>5 minutes</p> <p>15 minutes</p> <p>JKhale does not have ambulance services</p> <p>JKhale Local Municipality have 2 economic development projects which is EPWP and CWP and all this projects contribute to sustainable job security</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p>

Date: 06/07/2018

Municipal Manager: 



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APPENDIX R

CONDITIONAL GRANT: EXCLUDING MIG

Details	Budget	ADJ Budget	Actual	Variance%	
				Budget	ADJ Budget
(FMG) Finaicial Management Grant	2415000	0	2414800	99.99	0
(EPWP) Expanded Public works Programme	1000000	0	968770.7	96.88	0



FMG QUARTERLY SUMMARY OF 2018/2019 ALLOCATION
TOTAL ALLOCATION 2018/2019:

DATE	AMOUNT RECEIVED	EXPENDITURE	BENEFICIARY	DESCRIPTION	
July 2018					
August 2018	2,415,000.00	59,356.71 194,909.22 367,500.00 18,817.50 18,817.50 18,817.50 142,893.00 70,423.53 931,474.86	NASHUA Ille Consultancy Ille Consultancy S Kordom D Neels L. Pieterse Bytes Bytes	Systems Compilation of AFS Compilation of AFS Salary (July & Aug) Salary (July & Aug) Salary (July & Aug) Systems Systems	d/a 9065 9102 8984 9016
September 2018		9,408.75 9,408.75 9,408.75 250,000.00 195,000.00 2,513.25 1,385.50 2,777.00 1,385.50 3,960.00 485,247.50	S Kordom D Neels L. Pieterse Bytes Ille Consultancy ZFM District ZFM District ZFM District ZFM District ZFM District	Salary Salary Salary Systems Compilation of AFS Training-SCM Training-PMS Training-Internal Audit Training-PMS Training-Internal Audit	9135 9130 9128 9113 9112 9114
October 2018		9,408.75 9,408.75 9,408.75 8,194.81 8,194.81 1,561.50 2,908.00 9,087.50 58,170.87	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts ZFM District ZFM District ZFM District	Salary Salary Salary Salary Salary Training-Internal Audit Training-PMS Training-Internal Audit	9140 9177 9182
November 2018		18,816.00 18,816.00 9,408.75 8,194.81 8,194.81 4,156.30 67,586.67	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts ZFM District	Salary Salary Salary Salary Salary Training-PMS(aug acb)	9030
December 2018		9,408.75 9,408.75 9,408.75 8,194.81 8,194.81 44,615.87	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts	Salary Salary Salary Salary Salary	
January 2019		9,408.75 9,408.75 9,408.75 8,194.81 8,194.81 44,615.87	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts	Salary Salary Salary Salary Salary	
February 2019		11,316.18 11,316.18 10,497.24 8,803.97 8,803.97 50,737.54	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts	Salary Salary Salary Salary Salary	
March 2019		11,316.18 11,316.18 10,497.24 8,803.97 8,803.97 200.00 200.00 1,880.00 840.00 2,820.00 3,660.00 840.00 840.00 1,090.00 3,120.00 1,580.00 2,420.00 3,060.00 840.00 1,680.00 840.00 101,526.09 176,173.63	S Kordom D Neels L. Pieterse V. Brummer Z. Swarts S Kordom C Springbok S Mahonie E Job E Saal C Bitterbos E Du Raan A Gous V Koopman R Hugo E Murray D Block A Daniels J France R Hugo W Oor TGIS	Salary Salary Salary Salary Salary Adjustment budget assistance PT Adjustment budget assistance PT Adjustment budget assistance PT Invite to Provincial records forum Lgseta capacity building good governance Lgseta capacity building good governance Invite to Provincial records forum Invite to Provincial records forum Invite to Audit committee training Invite to Audit committee training Invite to CFO Forum Invite to CFO Forum Invite to Lgseta LED Training Invite to Annual Report Assessment Invite to Annual Report Assessment Invite to Municipality Property rates act Systems	9349 9388 9350 9341 9357 9366 9354 9356 9352 9359 9351 9348 9410 9361 9360 9321

937689373

April 2019		8,803.97 8,803.97 17,607.94	V. Brummer Z. Swarts	Salary Salary	
May 2019		8,803.97 8,803.97 3,120.00 300.00 300.00 300.00 2,820.00 940.00 840.00 100.00 3,900.00 30,227.94	V. Brummer Z. Swarts J. Esau M. Greef L. Rahman J. Links J. Esau W. Oor W. Oor L. Pieterse A. Daniels	Salary Salary Invite to Spluma forum Housing & Batho pele Workshop Housing & Batho pele Workshop Housing & Batho pele Workshop Housing & Batho pele Workshop Municipal Budget engagement 2019/20 Local GRN - Municipal property rates act workshop Consultation meeting Invite to Lgseta LED Training	9545 9520 9519 9518 9546 9539 9321 9538 9534
June 2019		8,803.97 8,803.97 4,060.00 4,060.00 4,060.00 4,060.00 6,090.00 820.00 300.00 2,820.00 100.00 940.00 1,880.00 200.00 200.00 200.00 200.00 1,880.00 415,146.28 41,716.73 506,340.95	V. Brummer Z. Swarts M. Andreas Z. Swarts M. Esau EG Louw V. Brummer A. Meuton S. De Wee S. Mahonle L. Pieterse R. Hugo C. Louw S. Kordom J. Janijies E. Murray V. Brummer W. OOR Nashua Interns	Salary Salary MFMA Training MFMA Training MFMA Training MFMA Training MFMA Training Invite to Provincial records forum SCM Workshop SCM Workshop SCM Workshop IT Workshop GRAP AFS Training GRAP AFS Training GRAP AFS Training GRAP AFS Training GRAP AFS Training GRAP AFS Training Systems Short report on salaries	9642 9644 9643 9645 9646 9621 9614, 9615 9603, 9605 9640 9606 9580 9579 9597 9585 9598 9581 9055, 9123, 9205, 9241

ROLL OVER 2017/2018

TOTAL AMOUNT RECEIVED 2,415,000.00

TOTAL EXPENDITURE 2,414,799.74

BALANCE 200.26

Percentage Spent 99.99

NARRATIVES

Prepared by: S. Kordom Date: 03-07-2019

Reviewed by: S. Mahonle Date: 03-07-2019



EPWP QUARTERLY SUMMARY OF 2018/2019 ALLOCATION
TOTAL ALLOCATION 2018/2019:

DATE	AMOUNT RECEIVED	EXPENDITURE	BENEFICIARY	DESCRIPTION
July 2018				
August 2018	250,000.00	5,841.00 5,613.30 11,454.30	Salary Salary	Salary (July) Salary (Aug)
September 2018		5,613.30 5,613.30	Salary	Salary
October 2018		5,880.60 12,555.20 11,761.20 29,997.00	Salary Salaries Salaries	Salary Epwp hoofstraat nct Epwp hoofstraat nct
November 2018		5,613.30 11,286.00 3,267.00 12,850.40 530.95 33,527.65	Salary Salaries Salaries Salaries Kik	Salary Epwp hoofstraat nov Epwp hoofstraat nov Epwp hoofstraat nov Purchase hand gloves
December 2018	450,000.00	13,736.30 5,078.70 11,142.40 29,947.40	Salaries Salary Salaries	Epwp hoofstraat dec Salary Epwp hoofstraat dec
January 2019		10,667.20 4,009.50 2,227.50 202,332.09 219,296.29	Salaries Salary F Luidick Eskom	Epwp hoofstraat jan Salary Epwp hoofstraat jan Services
February 2019	300,000.00	9,358.00 9,596.80 10,740.60 3,118.50 32,813.90	Salaries Salaries Kasap agri Salary	Epwp hoofstraat feb Epwp hoofstraat feb Purchases Epwp hoofstraat feb
March 2019		9,800.20 9,613.30 9,860.40 5,643.00 5,078.70 9,385.20 45,390.40	Salary Salary Salaries Salaries Salary Salaries	Epwp hoofstraat mar Salary Epwp hoofstraat mar Epwp hoofstraat mar Salary mar Epwp hoofstraat mar
April 2019		9,385.20 8,731.80 7,484.40 25,601.40	Salaries Salaries Salaries	Epwp hoofstraat april Epwp hoofstraat april Epwp hoofstraat april
May 2019		23,215.50 950.40 7,603.20 77,660.00 5,620.02 18,198.00 133,247.12	Salaries Salaries Salaries Venita Trading services Kasap agri Van Slye Blasting	Epwp hoofstraat May Epwp hoofstraat May Epwp hoofstraat May Paving Blocks Cement (Purchases) Hire machinery
June 2019		28,769.20 32,213.50 4,637.32 3,091.00 13,800.00 77,050.00 105,192.38 112,860.00 5,613.30 11,434.50 401,881.91	Salaries Salaries Kik Revera Onjoala trust Onjoala trust Venita Trading services Venita Trading services Salaries Salaries	Epwp hoofstraat June Epwp hoofstraat June Purchases cement Purchases safety clothing Purchases red sand Hire machinery Paving Blocks Paving Blocks Epwp hoofstraat June Epwp hoofstraat June

RECEIVED PRIOR PERIOD 7,000,000.00
ROLLOVER 2017/2018
TOTAL AMOUNT RECEIVED 1,000,000.00
TOTAL EXPENDITURE 968,770.67
BALANCE 31,229.33

Percentage Spent 96.88

NARRATIVES

Prepared by: S Kordom

Date:

Reviewed by: S Mahonla

Date:

4586

9489

7586

94053

51

52

Monthly Report as per the Division of Revenue Act

Municipality Name		IKhels	
Budget Allocation for 2018-19 FY	R	1,000,000	
Accumulated Expenditure	R	968,770	
Available Balance	R	31,230	

Financial Year	2018-19
Month End	June-19

Financial Accounting for Grant Funds Received and Expended													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Received Prior Months (Current Financial Year)	R	-	R	250,000	R	250,000	R	250,000	R	700,000	R	1,000,000	R 1,000,000
Received in the Current Month													
Total EPWP funds Received	R	R	250,000	R	250,000	R	450,000	R	300,000				R 1,000,000
Spent Prior Months (Current Financial year)													
Spent in the Current Month	R	R	11,454	R	17,068	R	80,592	R	329,836	R	408,040	R	566,889
Compensation of Employees	R	R	11,454	R	5,613	R	29,997	R	32,814	R	45,390	R	401,881
Goods and Services	R	R	11,454	R	5,613	R	29,997	R	32,814	R	45,390	R	401,881
Machinery and Equipment	R	R	-	R	-	R	351	R	16,741	R	23,280	R	310,672
Accumulated EPWP Expenditure	R	R	11,454	R	47,065	R	110,540	R	362,650	R	433,642	R	328,201
Total EPWP funds Received and Net Spent	R	R	238,546	R	202,932	R	599,460	R	637,350	R	566,358	R	968,770
Expenditure as % of received amount			5%	7%	19%	32%	16%	47%	36%	41%	43%	57%	
Funds Currently Committed but Not Spent	R												R 31,230
Scheduled Transfers Withheld	R												R

Expenditure on Approved Rollover													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Approved Rollover	R	R	R	R	R	R	R	R	R	R	R	R	R
Compensation of Employees													R
Goods and Services													R
Machinery and Equipment													R

Comments: The project started on the 02 October 2018, due to planning phase.

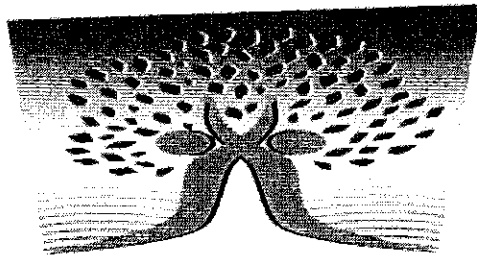
Constance Louis STEPHANUS VAN DER
(Print Name Below)

Certify that this report is correct and that this report has been submitted electronically as required.

The Accounting Officer or Delegate certify that the above information is correct.

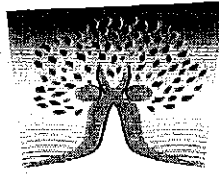
Signed.....

Dated..... 03-07-2019



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APPENDIX S



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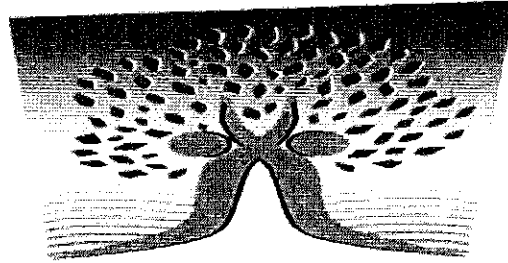
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Phone: 054 – 8339500
Fax: 054 – 8330690

Is Appendix S included listing all monthly MFMA S71 budget statements not submitted in time

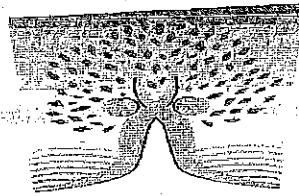
Late in submission of Section 71

MONTH	SUBMISSION DATE
Mo7	21 February 2019
Mo8	11 April 2019
Mo10	21 May 2019
Mo11	25 June 2019
Mo12	17 July 2019



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APPENDIX T



Kheis

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Municipality

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Fax: 054 - 8330690

Is Appendix T included for powers and functions not covered in other sections of the annual report?

None